

## NEWS SUMMARY

## GENERAL

Europe  
may act  
on UK  
lamb

The EEC Commission plans to seek an interim injunction against France in the European Court over illegal curbs on British lamb imports.

EEC Farm Commissioner Finn Olav Gundelach said that if the French failed to give way before or during next week's farm ministers' meeting, he would have no option but to seek the injunction.

However, the commission's legal service may seek to delay such action. Back Page

## Tito weakens

Health bulletins on President Tito of Yugoslavia have begun to refer to kidney malfunction as well as a weakening heart. Page 3

## Rome Jurist shot

Terrorists in Rome shot dead Professor Vittorio Bachelet, a leading jurist, in what is considered the most serious challenge to the State since the murder of Aldo Moro, former Premier. Page 3

## EMS appeal

Britain will fail to play a full part in Europe until it joins the European Monetary System, Mr. Roy Jenkins, President of the European Commission said. Page 2

## New N-plant leak

Nuclear scientists were investigating an escape of radioactivity on Monday from the crippled Three Mile Island plant, Pennsylvania, but said the amount released was no health hazard.

## Hostages freed

A solution to the seizure of the Spanish Embassy in San Salvador appeared imminent last night as students occupying the Education Ministry freed their 12 hostages and left the building.

## Blunt friend hurt

William Gaskin, aged 60, flatmate of Professor Anthony Blunt, who spied for Moscow, was recovering in hospital after falling from a sixth-floor balcony.

## Zambia recall

Britain has cut short the tour of duty of Sir Leonard Allison, High Commissioner in Lusaka, after criticism in Zambia of his defence of Britain.

## La Roche cleared

West Germany's High Court ruled that Hoffmann-La Roche, Swiss pharmaceuticals group, did not overcharge for its tranquilisers Valium and Librium. Page 2

## Heart programme

Papworth Hospital, Cambridge, plans to carry out up to eight heart transplants a year.

## Lonrho plea lost

Lonrho has lost an Appeal Court hearing seeking disclosure of the activities of Shell and BP subsidiaries in allegedly supplying Rhodesia with oil during its revolt.

## Briefly...

Athens MPs discussed NATO plans to reintegrate the country's forces into those of the alliance.

Weekage of an RAF Hunter was found on Skye but the pilot was still being sought last night.

Fake plumber walked into a Paris flat and left with a Rembrandt and five other paintings worth FFr 2m (£213,000).

Greek sea captain was jailed for waking people in Genoa, Italy, with his ship's siren.

## CHIEF PRICE CHANGES YESTERDAY

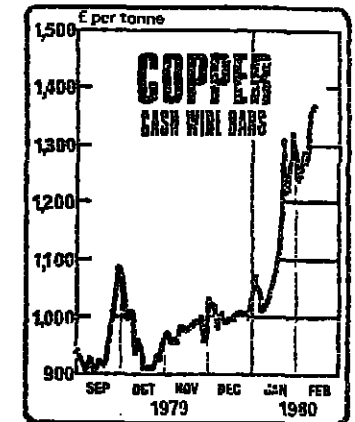
(Prices in pence unless otherwise indicated)

Applied Computer...	350 + 25	Spear & Jackson...	110 + 8
Bowring (C.T.)...	143 + 7	Standard Teleph...	365 + 9
British Home Stores...	281 + 4	United Scientific...	465 + 9
British Sugar...	154 + 6	Ward Holdings...	62 + 4
Crown House...	67 + 4	Guthrie...	855 + 45
Fashion & General...	145 + 18	Charter Cons...	185 + 15
Furness Withy...	287 + 16	Gold Fields of SA...	339 + 11
Guinness Peat...	127 + 15	RTZ...	455 + 14
Hartwell...	82 + 5	Saint Piran...	67 + 7
Henderson-Neaton...	104 + 5	Selection Trust...	776 + 16
Macpherson (D.)...	97 + 6	Treasury 12pc 1985...	255 + 3
Matthews (B.)...	340 + 35	Needlers...	400 + 10
Oliver (G.)...	115 + 7	BP...	430 + 40
Pegler-Hattersley...	140 + 3	Citic Oil...	304 + 16
Quick (H. & J.)...	41 + 3	Tricentrol...	304 + 16
Rubert...	59 + 8	Cons. Gold Fields...	510 + 15

## BUSINESS

Copper  
record;  
Sterling  
falls

COPPER continued to rally strongly in London, with cash wirebars up £21 at £1,372 a



tonne, and three-month wirebars up £21 at a record £1,376.5.

● GOLD fell 515 in quiet London trading to close at \$897.50.

● STERLING lost 75 points in thin trading to close at \$2,297.0, and its trade-weighted index was 72.9 (73.0). DOLLAR traded in a narrow range and its index was \$5.2 (\$5.1).

● GILTS eased on UK labour troubles, and the Government Securities index fell 0.29 to 66.10.

● EQUITIES resisted an early fall and the FT 30-share index, which opened 3.7 down, rallied to close 0.6 off at 469.3.

● WALL STREET was 0.94 down at 888.65 near the close.

● LIQUIDITY shortages pushed up interest rates in the London money market, intensifying pressure on clearing banks.

● MULTINATIONAL companies including Exxon, Shell and ICI are at the centre of a dispute between the European Commission and EEC governments over investment grants. Back Page

● BP set the new North Sea oil price pattern by raising the price of its Forties Field reference crude by \$4 a barrel to \$33.75. Back Page; BNO appointments Page 7 and Editorial comment Page 20

● SALVESEN Offshore Holdings, a subsidiary of Christian Salvesen, a private Scottish company, has pulled out of the offshore drilling market. Page 3

● CHRISTIAN SALVESEN results. Page 23

● BRITISH RAIL and the Government have clear differences of opinion over the role of private capital in the Board's non-railway activities. Back Page

● BUILDING society net receipts last month of £235m—less than half the figure the societies say they need to meet mortgage demand. Page 7

● WATER authority employers agreed to urgent pay talks after most of their manual workers threatened a national strike from February 25. Page 8

## COMPANIES

● ARMITAGE Shanks' biggest shareholder, the Lebanese-owned Ceramix Investments BV, has come out against the £33m Blue Circle Industries bid. Page 23

● GUINNESS PEAT Group, the commodity trading concern, raised first-half pre-tax profits from £1.58m to £6.22m. Page 22 and Lex. Back Page

● DONALD MACPHERSON Group, the paint manufacturer, raised pre-tax profits for the year from £4.08m to £4.84m on sales 15.8 per cent higher at £75.9m. Page 22

● TOYOTA, Japan's largest car maker, raised first-half parent company net profits by 33.9 per cent to a record ¥65.08bn (£116.75m). Page 26

## Union anger over lay-offs plan

No more available  
says BL as ballot  
rejects pay offer

BY ALAN PIKE, LABOUR CORRESPONDENT

BL car workers yesterday rejected 5 to 10 per cent pay increases in a secret ballot, but the company immediately emphasised that it had no money available to improve its offer.

The rejection of the offer by 59 per cent of those voting in an 82 per cent poll plunges the company into even further uncertainty about its immediate future on industrial relations issues.

Tens of thousands of lay-offs are planned because of high stock levels, and the dispute over dismissal of Mr. Derek Robinson, the Lanchester convenor, remains unresolved.

Voting against the offer was 41,275 to 28,823, a majority of 12,759.

Sir Michael Edwards, BL chairman, who received 7.1 support from the work-force for his recovery plan for the company in the autumn, warned during the ballot that rejection of the pay offer would mean the end of BL in its present form, and massive loss of jobs.

The company's first response when it learned that the vote had gone against Sir Michael was comparatively cautious, arguing that the union had not been given a mandate for industrial action.

Mrs. Margaret Thatcher delivered a sharp warning in the Commons about the consequences of the vote.

sequences that could follow industrial action by BL workers. Mr. Grenville Hawley, national automotive secretary of the Transport and General Workers' Union, said announcing the result, that it was "overwhelmingly" in support of the union negotiators, who had recommended rejection of the offer.

The offer proposed basic increases of about 5 per cent for most of the 85,000 workers, and up to 10 per cent for skilled men. It included productivity proposals and requirements for more flexible working practices. Mr. Hawley stressed that union negotiators, armed with the ballot result, did not now want to rush headlong into a strike.

They will meet the management on Friday and hope to discuss ways of improving the package.

In its response to the result, BL turned its attention to the 18 per cent of employees who did not take part in the vote and said that only 49 per cent of the work force backed the union negotiating committee. A statement said BL had

"made clear before the unions decided to go for a ballot the company does not have the cash to improve its offer."

Union leaders were also deeply critical of the way in which BL announced on Monday night that many thousands of employees were to be laid off to reduce current stock levels.

Mr. Hawley said that although BL was party to an agreement that lay-offs would be discussed in advance with national union officials, he knew nothing about this until he was telephoned at home by the company on Monday night.

"One feels that we have been extremely patient with this company in trying to negotiate with them. Some day there has to be a change of attitude." The unions had "waved the white flag" many times in an attempt to improve relationships.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said that his union's representatives would resist at Friday's meeting with BL that there should be no loss of earnings if employees were laid off.

Union may serve writ  
to halt BSC closures

BY CHRISTIAN TYLER, LABOUR EDITOR

A WRIT designed to stop the British Steel Corporation's going ahead with plant closures was drawn up yesterday by the Iron and Steel Trades Confederation.

It will be for a special meeting of the TUC nationalised industries and steel committees to decide, possibly early next week, whether the writ goes far enough. If not, the meeting could recommend TUC-organised protests including national stoppages.

As the steel strike enters its seventh week, the general secretaries of the ISTC and National Union of Blastfurnace men go to the Advisory Conciliation and Arbitration Service today.

But all the signs are that it will be a long haul back to formal negotiations, following the abortive bargaining session last Friday.

The attitudes of the strikers continued to harden yesterday, even as ISTC members at some

small private steelworks in South Yorkshire went back to work, joining those who have defied the union call for sympathetic action at Sheerness Steel in Kent, and now at Hadfield's in Sheffield.

The Rotherham strike committee called for the resignation of Mr. Bill Sims, ISTC general secretary, after his recommendation that Hadfield's be given dispensation. More than a dozen men were remanded on bail in Sheffield following incidents on the picket line outside the company.

Another area strike committee, at the Llanwern plant in South Wales, yesterday joined South Yorkshire, Redcar and Scotland in demanding that safety cover be withdrawn. The requests will be considered by the ISTC executive or central

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Strike effects Page 8  
Parliament Page 12

## 'Enterprise' plan for steel areas

BY OUR INDUSTRIAL STAFF

TWO AREAS due to be hit by steel plant closures and a site close to the centre of London are among seven locations being considered by the Government for designation as enterprise zones where businesses will be freed from various state levies and other burdens.

An announcement may be made in next month's Budget if ministers, led by Sir Geoffrey Howe, Chancellor of the Exchequer, finalise their plans in time.

The idea is that businessmen should be attracted to the areas, located in areas of economic decay, by being exempted from the sort of burdens that are often thought to deter

entrepreneurs. One of the sites being considered is a 160-acre industrial estate at Briton Ferry near Port Talbot, which Sir Keith Joseph, Industry Secretary, tried to visit on Monday but was turned back by picketing steel workers. A 218-acre site in the lower Swansea valley was also considered.

The other six sites under consideration are: About 175 acres in Hackney, East London, which is largely built up but has many vacant and underused areas.

A 500-acre site at Attercliffe, Sheffield, which has some 90 per cent of its business premises vacant and needs further reclamation and services.

A 300-acre green field site at Speke, Liverpool, where the Triumph and Dunlop factories have recently closed with thousands of job losses.

A site close to the Singer Sewing machine factory, Glasgow, which recently closed with over 3,000 redundancies.

Preston docks. A 900-acre site with vacant factories at Bilton, near Wolverhampton, where steelmaking ended last year with some 2,000 redundancies.

Other sites at Wandsworth in South London, Clydebank in Scotland, Doncaster and Tyneside have also been considered. Ministers want to choose a cross section of areas to enable

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Anglo buys  
25% stake in  
Gold Fields

BY PAUL CHEESRIGHT

A 25 PER CENT stake in Consolidated Gold Fields, the London resources group, has been acquired at a cost of at least £150m by Anglo American Corporation and De Beers Consolidated Mines, the South African complex of companies controlled by Mr. Harry Oppenheimer.

It is widely thought that the buying was set off by earlier purchases made by Africaner interests through the General Mining complex of companies.

Anglo/De Beers was believed to be trying to check the steady accretion of power by Africaner interests in the South African mining industry. Gold Fields has extensive gold holdings in South Africa.

Gold Fields was first informed of the Anglo/De Beers intervention 17 minutes before the Stock Exchange opened yesterday morning. When trading started, its share price was quoted at 615-617½, reflecting the transactions arranged by Rowe and Pitman. Within a quarter of an hour the price had fallen to 530½.

Later the price moved over 580p, suggesting that institutions were taking the opportunity to buy back shares to replace those earlier sold at the higher price to De Beers, before closing at 510p for a day's net fall of 15p.

City criticism about this performance centres on the fact that small investors did not have the chance to sell their shares at a price some 20p higher than Monday's close.

Mr. David Lloyd-Jacob, the managing director, said: "From all we see, the mystery buyer is fully revealed."

The shareholding was surprising, he said. "I would rather it wasn't there. But we are all professional managers. We will live with our shareholders."

De Beers stressed that it does not intend to acquire further shares, which would require it to make a formal offer. It does not seek management changes, and regards the holding as a good investment.

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Lex Back Page

No revised bid for Decca  
yet from Racal

BY CHRISTINE MCIR

RACAL ELECTRONICS has still, after five days of discussions, not come back with a revised bid for Decca to top the latest from General Electric.

Mr. Ernest Harrison, chairman of Racal, has not conceded defeat. Hill Samuel, his advisers, promised on Friday that there would be a statement on Monday. Since then two similarly worded announcements have been made on successive evenings saying that "discussions are continuing."

Sir Kenneth Bond, financial director of GEC, last night firmly denied that there had been any talks between GEC and Racal.

Racal's shares have been holding firm, ending the day up 4p to 229p. Decca's shares, however, slid back to match the nominal value of GEC's convertible loan stock offer, the voting shares losing 10p to 55p and the "A" shares dropping 5p to 49p.

GEC's shares, which have gone ex-dividend, rose by 2p to 377p. The company's reprinted shareholders' "The progress of the underlying shares suggests that the loan stock, if quoted, would go above par."

This would, on bankers' estimates, put a value on the GEC convertible offer of £100m. By comparison, Racal's share offer values Decca at £66m.

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AIR FRANCE



## EUROPEAN NEWS

## Roche cleared of over-charging for drugs

BY LESLIE COLITT IN BERLIN

WEST GERMANY'S Federal Supreme Court has ruled in favour of the Swiss pharmaceutical company, Hoffman-La Roche, ending a six-year legal struggle that began with the Federal Cartel Office in West Berlin and ended with the Berlin Appeal Court.

In 1978, the Cartel Office of the Berlin court ordered the company to reduce by 24 per cent the price of its tranquilisers Valium and Librium,

arguing that it had abused its "market dominating position." The Federal Court in Karlsruhe yesterday said it could not support the claim that Hoffman-La Roche had taken advantage of its strong market position to charge excessively high prices.

The ruling could well inhibit the Cartel Office from even starting proceedings against other West German companies for alleged over-charging.

In 1974 the Cartel Office ordered the company to drop its price for Valium by 40 per cent and for Librium by 35 per cent. This was altered by the Berlin Appeal Court, which ordered prices lowered to 28 per cent, a ruling subsequently overturned by the Federal Court which ordered the case to be heard again. The result was the Appeal Court's final order that prices were to be cut by 24 per cent.

The Cartel Office said yesterday's decision was "disappointing" but that it was not entirely surprised by it.

It is now expected to drop its case against Merck Pharmaceuticals, which it suspected of overcharging for its B-12 vitamin.

Ironically, the Cartel Office has found that, since 1978, Hoffman-La Roche raised its prices for Valium and Librium "far less than its competitors" on the West German market. Today its prices for the tranquilisers are said to vary little from those of other drug companies.

## Schmidt and Thatcher to meet before summit

By Jonathan Carr in Bonn

BRITISH AND West German leaders will meet in the UK on March 28 and 29, just before the European Council (summit) meeting at which Britain's EEC budgetary problem will be a key issue. Government officials stress that the talks between Chancellor Helmut Schmidt and Prime Minister Margaret Thatcher cannot of themselves produce a solution to the budget issue, which is a matter for all nine EEC member states.

Nonetheless, it is hoped that the discussions will clarify the respective standpoints on the budget and help pave the way for a successful Council in Brussels on March 31 and April 1.

The officials believe that Brussels should produce a package deal, in which precise commitments are made on, among other things, cutting the cost of the common agricultural policy (CAP) and agreeing on the EEC regulation for lamb desired by the French.

It is felt that only through agreement on these items can the financial and political room for manoeuvre be created for a simultaneous decision to cut Britain's budget contribution.

Without such a package, it is believed that accord on the budget would have to wait until later in the year at least.

Britain is demanding a big cut in its estimated net contribution to the EEC budget this year of around £1bn on the grounds that it is one of the poorest member states. An EEC Council meeting in Dublin last November failed to solve the issue.

Since Dublin, Bonn has noted signs of a greater British readiness to compromise among them the abandonment of demands for a "broad balance" between EEC receipts and expenditure.

It is also felt that Britain has been seeking to follow more moderate policies on fish and North Sea oil pricing to help create an atmosphere in which the budget question could more easily be resolved.

## Low-key approach by Chirac

By Robert Mathner in Paris

M. JACQUES CHIRAC, the leader of the Gaullist RPR party, yesterday broke his eight-month public silence with a news conference which, in spite of all the advance publicity, produced none of the expected fireworks.

Though M. Chirac is generally expected to run as the Gaullist candidate in the next presidential election, due in the spring of 1981, he refused to answer any questions on the subject and has still not announced his candidature.

The Gaullist leader was also uncharacteristically restrained in his comments on the Government's policies, which he has often attacked sharply in the past, and refrained from making any personal attacks either on President Giscard d'Estaing or M. Raymond Barre, the Prime Minister.

The explanation for M. Chirac's low key attitude is clearly that he has learnt his lesson from the unfavourable impact that his previous anti-Government outbursts and destructive parliamentary tactics have had on public opinion.

Though M. Chirac implicitly criticised President Giscard for not showing enough firmness in his attitude towards the Soviet Union after the invasion of Afghanistan he nevertheless made it clear that he supported the basic principles underlying France's current policy.

## Renewed concern over Tito

By Aleksandar Lobi in Belgrade

OPTIMISM in Yugoslavia over President Tito's recovery has been replaced by a renewed worry now that medical bulletins are referring to malfunctioning of his kidneys and weakening of the heart.

In view of his 87 years the medical team may not succeed in their attempts to save President Tito's life and that awareness has been spreading in spite of the carefully worded bulletins.

After six weeks of closely watching Tito's struggle the Yugoslavs are now resigned to the possibility of losing him before long.

However, the authorities appear to be keen to show no outward anxiety over his deteriorating health.

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## Court ruling a relief for research-based companies

BY A. H. HERMANN, LEGAL CORRESPONDENT

ALL THE research-based pharmaceutical companies will be pleased by the decision of the Karlsruhe judges. The main issue between Hoffman-La Roche and the Federal Cartel Office was whether the higher prices which Roche asked for Librium and Valium were justified by its research costs.

Also in dispute was whether it was fair to compare its prices with the products put on the market by imitators or "parallel" importers who, like Centrafarm, bought Roche products in a

lower priced market and undercut Roche's appointed distributors in a higher priced market.

These issues, as well as the apportioning of research costs of the Basle laboratories between the various Roche subsidiaries outside Switzerland, appeared in all the numerous disputes with governments with which Roche became involved after the British price-cutting order of 1973.

Most recently, the admissibility of comparing prices, in-

cluding research costs, with prices of imitation products appeared in the dispute between Sandoz and the French customs authorities.

The latter compared the price of Sandoz's ergotamine and dihydroergotamine, charged to the French subsidiary of the Swiss company, with prices at which the same products were sold by an imitator. They concluded that the value of Sandoz's French imports in the years 1971, 1972 and 1973 had been inflated by some £4m.

The manager of the French subsidiary was accused of making false customs declarations and is threatened with a heavy fine and possibly a prison sentence. These criminal proceedings have the same practical effect as a price-cutting order, and by an agreement reached between the Swiss and French Governments the matter was referred to the European Court in Luxembourg.

The decision of the Federal Supreme Court that the comparison of Hoffman-La Roche

prices with the prices charged by Centrafarm on a relatively small turnover is insufficient to prove an abuse of marketing power, cannot be entirely ignored by the European Court.

The Roche case was before the Federal Supreme Court for the second time. In December 1978, it sent it back to the Berlin Appeal Court with directions which concerned the definition of the relevant market, of a superior market position, and of abusive pricing.

## Jenkins urges UK to join European monetary system

BY JOHN WYLES IN STRASBOURG

BRITAIN WILL not be playing a full part in Europe until it joins the European monetary system, said Mr. Roy Jenkins, president of the European Commission, yesterday. Coinciding with the quickening pace of the EEC's internal debate over the size of the UK's net budget contribution, Mr. Jenkins' appeal is a significant indication of what he and some of his colleagues would like to see flowing from the delicate negotiations that lie ahead

between Britain and her Community partners.

But the UK's position, reiterated by Sir Geoffrey Howe, Chancellor of the Exchequer, in Brussels on Monday, remains that British participation in the EMS is ruled out for the time being by the uncertainty and volatility enveloping sterling as a result of North Sea oil. Nevertheless, the Commission would not be unhappy to see Britain's EEC partners pressing for UK participation as a condition for concessions on easing its budget burden.

Mr. Jenkins' claim that, without sterling the EMS is "frankly incomplete," came during a lengthy address to the European Parliament in Strasbourg, in which he reported on Community developments during 1979 and presented an outline of the Commission's programme for 1980.

He commended the Commission's paper suggesting the special fund for EEC spending in Britain, as offering the basis of a settlement of the problem. British European MPs, both Conservative and Labour, tend to agree, although many doubt that a settlement can be reached at the next heads of government summit in Brussels at the end of next month.

The likely ensuing domestic row will take place against a darkening economic background in 1980 which Mr. Jenkins saw as the possible "break up of

the established economic and social order on which post-war Europe was built."

Rising energy prices were acting as the catalyst, he said, and as a result economic growth in the EEC would fall substantially below the Commission's 2 per cent forecast for 1980 issued at the end of last year. Unemployment would rise from 5.6 per cent last year to above 6 per cent this, and inflation from 9 per cent to nearly 11.5 per cent.

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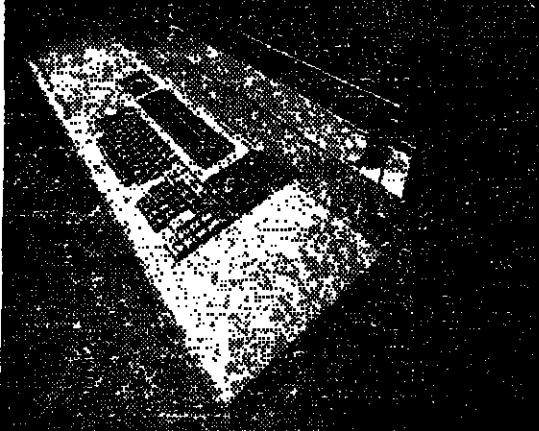
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## USSR urges allies to close ranks

**WARSAW** — The Soviet Union yesterday urged its Eastern Bloc allies to close ranks against a possible threat from the United States and China. Moscow's powerful politburo theoretician, Mr. Mikhail Suslov, issued the appeal at Poland's Eighth Communist Party Congress, the first such East European gathering since the Soviet intervention in Afghanistan.

"The West is using every means it can to undermine the solidarity of Socialist countries, so it is all the more important that we strengthen our alliance," he said.

Mr. Suslov called for detente with the West to continue, but his stand was tougher than that adopted by Mr. Edward Gierk, the Polish party leader, in his opening address on Monday to the five-day congress. Mr. Gierk offered to host East-West talks in Warsaw to defuse what he called the growing tensions and dangers in the world.

Mr. Suslov condemned the

U.S. threat to use military force to defend its interests in the Gulf, saying the Americans were acting in collusion with the Chinese.

"The U.S. decision to concentrate forces near the Iranian borders is not incidental, but it is part of a planned and deliberate policy to check the progress of developing nations," he said.

Anthony Robinson writes from Warsaw: Poland is hoping to obtain between \$6.5bn-7bn this year if trade credits are added to its formal borrowing requirement, Mr. Marian Krzak, the First Deputy Finance Minister, confirmed yesterday.

He also said that debt repayments and interest this year will cost \$4.5bn to \$5bn and that substantial supplier credits will be required even though this year Poland hopes to break even on its visible trade with the hard currency area.

Exports last month rose by 63 per cent from the artificially low January, 1979, figures. Then

exports were held up by the freezing of transport and port installations. Higher exports resulted in a \$165m surplus in hard currency trade last month, said Mr. Krzak.

Poland had also benefited from higher world copper and silver prices. The country produced under 800 tonnes of silver last year and exported 350 tonnes, while copper exports were around 160,000 tonnes. Poland expects to export a higher proportion of its silver production this year.

In an interview with Western journalists, Mr. Krzak confirmed that the Soviet Union had provided a \$1bn hard currency loan, but denied that there was any formal "Soviet umbrella" in the form of an undertaking to bail out Comecon borrowers.

He pointed out, however, that half of Poland's trade took place with the Socialist countries and some of the exports theoretically could be transferred to hard currency markets



Mr. Suslov: tough talking in Warsaw

if the need arose. Poland currently imports 3.5m of its 17m tonne oil consumption from OPEC countries and this is expected to rise. It will pay for these higher imports by expanding its exports to OPEC countries, he said.

## Top legal official murdered in Italy

By Rupert Cornwell in Rome

**THE ONSLAUGHT** by Italian terrorists reached a peak yesterday when gunmen assassinated the deputy president of the Higher Council of Magistrates in the heart of Rome University campus. The killing of Professor Vittorio Bachelet is perhaps the most serious challenge to the state since the kidnapping and murder of former Prime Minister Aldo Moro in 1978.

The Higher Council of Magistrates is the most senior regulatory body of the Italian judiciary. Its titular head is the president of the republic, Sig. Sandro Pertini, but in practice it is the deputy president who is in daily charge of its affairs. The 53-year-old Professor of Civil Law was president of Azione Cattolica, the influential Catholic activist movement, between 1964 and 1973 and had close links with the Vatican. He also served in 1976 as a Christian Democrat councillor in the Rome municipality.

Police sealed off the university campus after the killing, but to no apparent avail. The news caused consternation and dismay

both in the Vatican and at the Italian Parliament. The session of the Senate in progress was suspended, and President Pertini went at once to the scene of the assassination, followed by other leading politicians and Ministers.

Telephone calls to two Rome newspapers later claimed that the Red Brigades, who carried out the Moro operation, were responsible for the killing.

Although eyewitness accounts were confused, the murder appears to have been carried out by three gunmen, one of whom was a woman. They escaped in a car brought into the university grounds.

The outrage is a devastating reply by extremists to the President himself. Only last Friday, Sig. Pertini, opening the new academic year at violence-ridden Padua University, declared himself in the front line of the fight against terrorism.

By gunning down Professor Bachelet, the terrorists have signalled their scorn of his commitment and of the anti-terrorism Bill passed by Parliament this month, in the teeth of Radical party obstruction.

The shooting can only intensify the acute political uncertainty here on the eve of the key national congress of the ruling Christian Democrats.

## Anti-nuclear feeling grows in Belgium

By Giles Merritt in Brussels

**THE SMALL** Belgian town of Huy looks little more than a picturesque stop-over on the banks of the River Meuse for tourists crossing to the forests of the Ardennes. But it is fast becoming a rallying point for Belgium's anti-nuclear movement in its fight to block one of Europe's most ambitious atomic energy programmes.

For Huy is host to one of Belgium's largest nuclear power complexes at nearby Tihange and the town is growing uneasy about the question of safety standards.

Huy's mayor, Mr. Fernand Hubin, is a man who knows how to make formidable use of his municipal powers. His town council has just voted through a new local tax on electricity production, and it just so happens that the only such operation inside the community is the giant Tihange reactor. It also served in 1976 as a Christian Democrat councillor in the Rome municipality.

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astride the French border at Chooz in the Ardennes and also operated on a fifty-fifty basis with France, was closed down for 24 hours. The 23-year-old 305 MW power station developed a water leak from its cooling system, but the authorities



Belgium

emphasised that the age of the plant was of no relevance.

Three days later trouble struck again. Not at Chooz but at Tihange and Doel, near Antwerp, where 930 MW nuclear power stations are nearing completion as part of the expansion of both existing plants. It was confirmed that the reactor vessels built by France's Framatome were presenting similar technical problems to those that had already caused an outcry in France.

Like the French Tricastin and Gravelines reactors, Tihange 2 and Doel 3 were showing signs of hairline fissures. Official reassurances that ultrasonic testing will ensure that Belgium's high safety standards are observed have done something to smooth public opinion—although not enough to prevent the Walloon Socialists linking up with the francophone Christian Democrats and the Rassemblement Walloon in what looks like a common anti-nuclear front.

Right now, the anti-nuclear lobby has two other targets in its sights. It hopes to prevent the re-opening of the country's nuclear waste reprocessing facility at Mol, near the Dutch border, and the start of work in 1981 on a huge 1,300 MW addition to the Chooz complex. But it is the implications for Belgium's very ambitious nuclear energy strategy as a whole that are beginning to worry the Government.

Belgiums are the European Community's most lavish users of energy. Per head they use more than West Germans, the French or the British and, indeed, are only a little way behind the U.S.

Belgium's present energy requirement is around 47m tons of oil equivalent yearly, and in 10 years' time it will have risen to around 60m if harsh conservation measures can be applied or to 75m if they are not. For the year 2000 the Ministry of Economic Affairs in Brussels has produced some extrapolations that suggest consumption will have risen to a frightening 100m tons of oil equivalent a year.

Imported oil accounts for 53 per cent of present needs, and the medium-term target is to drive that proportion down to less than 50 per cent. But the gap to be filled by nuclear power is very wide. At present it accounts for just 6.7 per cent of all energy, and by 1985 that should be boosted to nearer 16 per cent.

Belgium nevertheless has a formidable head start in its nuclear power programme. The Government, together with the three private sector utilities, has been convinced since the mid-1960s of the simple truth that nuclear generated electricity costs two-thirds of that produced by coal-fired power stations. The result is that today, just over 25 per cent of all Belgium's electricity is nuclear.

That puts Belgium well ahead of all other industrialised nations on a proportional basis, and if the current 1978-88 plan is fulfilled the Belgians will retain their lead over all but Switzerland. By 1988 Belgium aims to have notched up yearly increases in nuclear generated electricity of 12.5 per cent on average. That will yield a total proportion of all electricity from nuclear plants of 53 per cent.

The scale of the Belgian programme can best be judged alongside that of France. If the much-vaunted French programme succeeds, France's level of nuclear produced electricity will in 1988 reach just 44 per cent of the whole.

If political forces lead to a reversal of Belgium's nuclear strategy — and Walloon discontent has its counterpart in Flanders, the northern, Dutch-speaking half of the country — the planners will have no choice but to reassess other forms of energy use.

## Moscow demands Romania toes the line

By Paul Lendvai in Vienna

**THE SOVIET** leadership has bluntly warned President Nicolae Ceausescu of Romania that he should be more loyal to the Warsaw Pact and should stop causing political embarrassment to Moscow in "a very complicated international situation."

According to reports in Bucharest, Mr. Andrei Gromyko, the Soviet Foreign Minister, took the opportunity of his recent visit to Romania to present a list of demands. Romania should refrain from giving political, diplomatic or

military aid to any country in Europe or Asia which is involved in a dispute with the Soviet Union, he said.

It should also avoid "provocative" actions, such as abstaining from voting at the United Nations on the Soviet intervention in Afghanistan, and should co-ordinate its international actions with the agreed line of the "Socialist community of states."

Mr. Gromyko is understood to have further insisted that

Romania loosen its close bonds with neighbouring Yugoslavia. Most intriguingly, the Foreign Minister apparently suggested that Romania use its good Western contacts to buy high-technology products which President Ceausescu has embargoed for sale to Moscow and that, by implication, it should resell them to the Soviet Union.

According to one report, Mr. Gromyko also demanded that Bucharest grant transit facilities, by means of a rail or land corridor, to Bulgaria and other

Balkan countries, an idea flatly refused in the past.

These reports about Soviet pressures have originated in the Romanian capital, as so often in the past and are clearly a deliberate leak, skilfully camouflaged so that Moscow cannot blame officials in Bucharest.

How President Ceausescu replied to the Soviet demands is not known, but according to one report, he asked for time to study the issues.

## India presses for Soviet withdrawals

**NEW DELHI** — Prime Minister Indira Gandhi yesterday told Soviet Foreign Minister Andrei Gromyko that Moscow should help reduce tension in this region through such measures as withdrawing Russian troops from Afghanistan, an Indian Government spokesman indicated.

Mr. Gromyko, arriving on a two-day official visit, was given India's views on defusing the Afghanistan crisis during a three-hour meeting with Mrs. Gandhi, including nearly 25 minutes with no sides present. The session ended with the two sides agreeing to consult further at continuing talks.

Wednesday about "measures by which the tension in the region can be defused," Indian External Affairs Minister spokesman Mr. J. N. Dixit told reporters.

Answering reporters' questions, Mr. Dixit said the official Indian view includes two major points — a hope that Soviet forces will withdraw from Afghanistan, and strong opposition to American plans for a military build-up of Pakistan.

Afghanistan and India have expressed concern about attempts by certain countries to turn Pakistan into a base for armed aggression against Afghanistan, the Soviet News Agency TASS, reported from

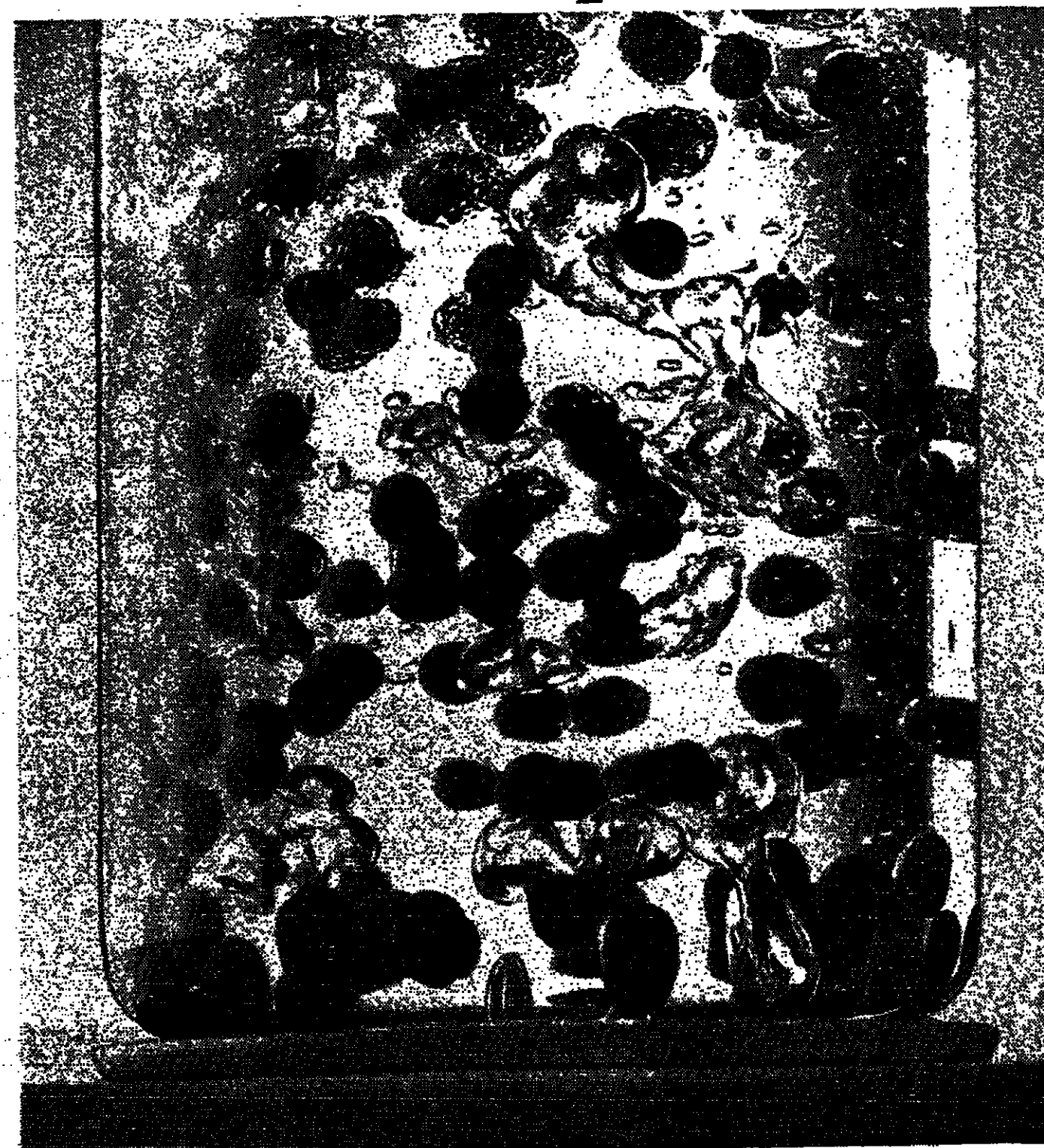
Kabul. The mention of Pakistan came in a joint statement issued after talks in Kabul between the Afghan Government and Indian special envoy Shilendra Kumar Singh.

David Buchan in Washington adds: White House officials are prepared for Moscow to launch a "peace offensive" by withdrawing a token force from Afghanistan.

U.S. demands for a total Soviet pull-out was restated by Mr. Zbigniew Brzezinski, the National Security Adviser to President Carter. The Security Adviser's remarks were reinforced by Mr. Harold Brown, the Defence Secretary, who suggested in a joint interview with Russian officials on Monday night that Moscow might be about to indulge in a play of a well-publicised withdrawal of one division, and the clandestine move of perhaps two divisions back to Afghanistan.

Meanwhile, U.S. officials have reported agreement with three Indian Ocean states — Oman, Kenya and Somalia — to give the U.S. certain temporary base rights in case of emergency, along with permission to make regular port visits and to store equipment.

# The advantages of burning coal like your wife cooks peas.

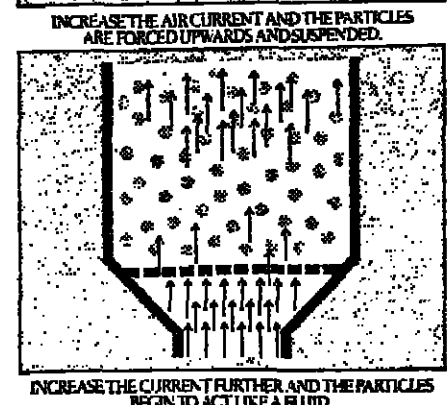
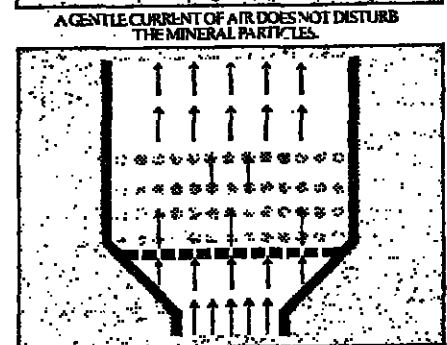
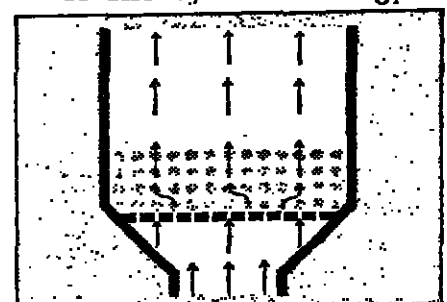


### The simple principle of fluidised bed combustion.

Just imagine a red-hot bed of inert mineral matter like sand or ash.

Now pass an upward current of air through the bed—at a certain velocity the particles of sand or ash will become highly turbulent and 'boil' in a similar fashion to a liquid.

You now have a fluidised bed into which you can inject and burn coal. Rather like your wife cooking peas.



Save, save, save. Burning coal through fluidised bed combustion provides higher heat release rates than ever before possible.

It has the advantages of having no moving parts in the furnace, and high rates of heat transfer enable boiler sizes to be reduced.

Also, since combustion takes place at a relatively low temperature, a wide range of coals can be burnt efficiently.

On an environmental level, the characteristics of fluidised bed combustion keep the emission of sulphur dioxide and nitrogen oxides well below the accepted standards.

**Putting theory into practice.** Over the years, extensive development and experimental programmes have been carried out on fluidised bed combustion.

The resultant research and know-how means that Britain leads the way in this revolutionary technique.

Several plants already operate on a commercial basis in this country.



### A suitable case for treatment.

Antler Limited are the biggest manufacturers of luggage in the UK, and were the first company to have an operational fluidised bed boiler on its premises. The boiler is a vertical shell type, and it provides space heating for Antler's four-storey building and replaces the old-fashioned Lancashire-type boilers.

The new fluidised bed boiler outperformed its predecessor by coping perfectly with the on-off conditions of Spring and Autumn, as well as having the capacity to deal with the arctic weather of the Winter of 1978/79. However, the biggest difference was in economy.

The thermal efficiency of the new boiler is in excess of 80%, well above that of the old Lancashire-type boilers.

**The tomato plant.** CWS of Marden, near Hereford, grow tomatoes, 8½ acres of them under glass. Half of their greenhouses are heated by a fluidised bed boiler.

The estate manager of CWS, Mr. Rossiter, is more than pleased by the way his new system nurtured his tomato seedlings through the ultra-severe conditions of 1978/79, but what impressed him most was the economy angle. "Our expected bill for oil for 1979/80 would have been £60,000 but with coal-fired fluidised bed we have estimated a saving of about £22,000—and that's a lot of tomatoes!"

If you would like to know just how fluidised bed combustion can help you in your industry get the advice of the NCB Technical Service experts by writing to the address below.

Send to: The National Coal Board, Technical Service Branch, Marketing Department, Hobart House, Grosvenor Place, London SW1X 7AE.

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

**NCB**  
COAL-BRITAIN ENERGY INSURANCE



## WORLD TRADE NEWS

## Nigeria expected to amend import inspection scheme

BY MARK WEBSTER IN LAGOS

THE NIGERIAN pre-shipment inspection scheme for imports is likely to be amended in the April 1 budget, businessmen here believe. But the Nigerian Central Bank has strongly opposed abolition of the system despite its unpopularity in some business quarters.

The scheme was introduced by the previous military government on January 1, 1979, in order to control the pricing, quality and quantity of imports. In the face of continuing protests from the business community, especially about the delay in processing the form M foreign exchange form by the Central Bank, the civilian administration of President Shagari has ordered a review of the system.

### Commission

Figures released by the Central Bank show that the Swiss company which carries out the inspections, Societe Generale de Surveillance (SGS), claims visible savings of around Naira 67.2m (\$57.1m) on the Naira 2.2bn worth of goods which it processed in 1979.

The company received a commission on the basis of the value of the goods inspected of SwFr 48.6m (£13m), according to the director of foreign exchange at the Central Bank in a recent interview here.

The savings which SGS said they had effected were predominantly on the price of imported goods (naira 59.6m)

while on quantity and quality they saved naira 723,000 and on "repatriable commission" they saved naira 6.2m.

Repatriable commission is the system of adding a sales commission to the price of the goods for payment to the Nigerian importer.

The Central Bank argues that in addition to these visible savings there must have been a considerable invisible gain because of the deterrent effect the pre-shipment inspection might have on fraudulent transactions.

Opponents of the scheme point out that the visible savings represent only 3 per cent of the total goods inspected, and they contrast that with the unquantifiable loss to the economy which resulted from the disruption caused by the introduction of the scheme.

The main problem when the system was introduced was the slow processing of the form M by the Central Bank which was necessary before the goods could be inspected and brought into the country.

The Central Bank says that the long delays, which sharply reduced all imports to a grinding halt early last year, have now been reduced to a matter of weeks.

But the bank says it would not be opposed to some form of modification of the scheme. The complaints from the business community make it likely that a means will be found to speed up the Form M processing.

David Satter in Moscow reports on the uncertainty surrounding Washington's anti-Soviet action

## East-West confusion over U.S. technology embargo

THERE IS an atmosphere of confusion and uncertainty in Moscow about the future of East-West trade as Western businessmen wait to see what will be included in the U.S. high-technology embargo.

The British Government has so far not announced a strategic embargo against the Soviet Union, but Britain may not have to take this step because important British exports to the Soviet Union, such as oil and gas equipment and computers, have a large American content and may be interdicted by the U.S. embargo.

Soviet officials, who appear anxious to maintain some trade momentum, are encouraging a "business as usual" attitude, but with neither side able to make firm commitments, com-

mercial activity has come to a virtual standstill.

The U.S. has suspended all valid export licenses for high technology exports to the Soviet Union, and this means that deliveries must be halted even on contracts where the export licence was granted long ago.

This has led to an impasse in many areas because businessmen are reluctant to sign contracts calling for immediate deliveries until the specifics of the U.S. embargo are announced and the Soviets are unwilling to sign contracts or even to enter into detailed negotiations where deliveries are in doubt.

There was no figure available for the value of contracts for which U.S. export licenses have already been granted and which are now in abeyance, but

U.S. officials said that the value of contracts for which export licenses were pending was about \$155m (\$67.3m).

If the U.S. embargo is comprehensive, however, it will have wide effects by also restricting all those companies which use U.S. components. The situation would be especially serious for the Soviets in the areas of silicon chips, micro-circuitry and computers. No Western European country has an electronics company which relies entirely on domestic manufacture.

Quest Automation, for example, a small British company which has done well in the Soviet market, sells computer-assisted drawing board equipment, but there is an American component in the

system and, until the details of the U.S. embargo are announced, new orders have been frozen.

The U.S. embargo may not cover all U.S. non-agricultural goods exports. The sale of oil and gas equipment must be licensed under the existing rules, but accessories such as pipehandlers and pressure-sensitive tape for wrapping pipelines have been sold without licenses in the past. The uncertainty about what the embargo will include is one reason U.S. businessmen are still coming to Moscow, although in smaller numbers, and still being received.

The situation is not altogether discouraging for the Soviets. The West Germans and the French have agreed to a review

of the COCOM system on strategic exports, but changes in the rules are not imminent. In the meantime, France can provide the Soviet Union with steel and chemicals producing plant, and French businessmen have been arriving in Moscow in large numbers. Similarly, no U.S. embargo will affect West German exports of equipment for the steel manufacturing complex being constructed near Kursk or shipments of large diameter pipe.

There are now no major contracts on the horizon. But Armco is understood to have pulled out of the contract for one of the largest electric steel plants in the world, near Novolipetsk. Nissan is now considering whether to proceed without its U.S. partner.

Negotiations are still under way for a contract for a \$500m aluminium smelter to be built in Siberia despite the decision of the Aluminium Corporation of America (ALCOA) to freeze its participation.

The unpredictability of the present trade situation would have hopelessly complicated these negotiations and they are now recessed.

The prevailing uncertainty has also affected the Soviet planning process. Little is known about new projects planned for the 1981-85 period because there have been long delays in drawing up the guidelines for the next five-year plan. They are now not expected to be issued before the end of 1980.

## Spain promotes arms sales

BY ROBERT GRAHAM IN MADRID

FOREIGN TRIPS this week by the Prime Minister, Sr. Adolfo Suarez, and senior defence officials have underlined Spain's desire to promote its own armaments industry.

The industry, largely controlled by INI, the state holding company, is anxious both to export more equipment and to raise the local production content of armaments acquired abroad.

The most important trip concerns consultations held by Sr. Augustin Rodriguez Sahagun, the Defence Minister, in West Germany this week. Accompanied by a team of officers and armaments industry

experts, he has been seeking ways of dovetailing the armaments programmes of the two countries for the 1980s. Spain is looking for opportunities to offer itself as a defence sub-contractor, as well as to acquire access to new technology through joint programmes.

So far Spain's principal military production co-operation has been with France. The French AMX-30 tank is being manufactured under licence here, there is also co-operation on missile production and Spain contributes a small part to the Mirage production.

Last year, however, the Spanish authorities signed an agreement with West Germany for the production of a new battlefield helicopter.

A second visit connected with defence procurement concerns that of Air Force General Emiliano Alfaro, who is in the U.S. for a detailed examination of the F-16 and F-18 fighters. One of these is shortly expected to be chosen as Spain's new air defence fighter for the 1990s.

Meanwhile, Sr. Suarez, who yesterday left Iraq for Jordan, has been trying to interest the Iraqis in Spanish hardware.

## ECGD limits cover for Jamaica

BY CANUTE JAMES IN KINGSTON

BRITAIN'S Export Credits Guarantee Department (ECGD) has withdrawn credit insurance cover for exports to Jamaica from third countries such as the U.S. and Canada. Cover is now limited to goods supplied to the island from the U.K. and then only when sold on credit of less than 180 days.

The restriction of the insurance cover has affected the island's ability to import goods under several lines of credit which, according to Central Bank officials, were being used extensively to purchase raw materials from the U.S. and Canada as well as the U.K.

The use of lines of credit arranged with the Bank of Jamaica by UK merchants Thomas Bell and Gillespie of the Yule Catto group for which ECGD provided insurance cover, was "quite significant", a Central Bank spokesman commented. Trade Officials in Kingston are now seeking new methods of financing these purchases.

Though they are reluctant to give reasons for the ECGD's move, they indicated that it might have been the result of an assessment of the state of the island's economy. For the second time in two years the Jamaican Government is having to renegotiate its loans with

the International Monetary Fund following its failure to meet economic criteria.

Our World Trade staff adds: In London ECGD confirmed that it was no longer providing cover for third country exports to Jamaica and is only providing cover for UK exports supplied on short term credit. It added that this is one of the early measures usually taken when a market is considered to be suffering economic problems which could affect payments for UK exports.

The Department would not however disclose the extent of its liabilities in Jamaica.

## India to export jet fighters

By K. K. Sharma in Bangalore

HINDUSTAN AERONAUTICS, the Indian public sector aircraft company which mainly manufactures for the Indian Air Force, is planning to sell jet fighters and helicopters to other countries. If successful this will be the first time that India has exported arms of this kind.

The aircraft to be exported are not intended for use in major offensive operations although they could be adapted for this purpose. The main object is to sell them for training and counter-insurgency operations.

Initial contacts have already been made and the most likely customer for the jet fighters, named the Kiran, is Malaysia. Other potential customers are in the Middle East.

The Kiran, manufactured in Bangalore and developed by Hindustan Aeronautics, can carry two sets of 7.62 millimetre guns or carry two 50 kilogramme bombs or two pods for rockets. It is believed that many countries would like to buy such aircraft from India rather than other traditional suppliers like the U.S. or Russia which sometimes suspended sales for political reasons.

Hindustan Aeronautics also hopes to sell helicopters to similar countries and has made initial soundings. The most hopeful customer for these is Nepal which needs them for agricultural spraying work. The company's export orders are increasing although they are a minute part of its sales turnover.

However exports are expected to double this year to reach rupees 10m (\$550,000). There are hopes also of exporting consultancy services and aircraft components.

## Swiss pacifist group seeks new referendum

By John Wicks in Zurich

A NEW referendum against arms exports is the aim of a campaign soon to be launched by a Swiss pacifist group headed by Edmond Kaiser, founder of the international children's aid organisation "Terre des Hommes."

M. Kaiser recently staged a much-publicised hunger strike against the sale of Swiss armaments to foreign countries. The last Federal referendum of this kind was held in 1972 and failed to obtain the necessary majority.

Figures just issued by the country's Ministry of Defence show that Swiss arms exports last year amounted to SwFr 424m (£114m), or almost exactly the same as in 1978. This is equal to rather less than 1 per cent of total Swiss exports.

Major markets abroad for Swiss arms were in 1979 Federal Germany, Austria, Spain and the Netherlands. Supplies to Iran have not taken place since October, 1978, and last autumn, the Ministry says, applications to export arms to Chile and Taiwan were refused by the Government. Swiss law forbids the sale of arms to areas in which armed conflict is taking place or threatens to take place "or where other dangerous tension prevails."

## VHS system said to have 70% of UK video imports

BY NICHOLAS COLCHESTER

AN ESTIMATED 180,000 domestic video recorders were imported into the UK in 1979, compared with 80,000 in 1978, according to Japanese Victor Company (JVC), a subsidiary of Matsushita Electric.

At the opening of a Video Information Centre in London yesterday, Mr. Kurt Lowy, the managing director of JVC (UK), claimed that 135,000 of these imported machines used the VHS system developed by JVC. "Taking into consideration stocks at warehouses and dealers at the end of the year, we believe that VHS has a market share of over 70 per cent," he said.

Mr. Toshiyasu Watanabe, the

Tokyo-based manager of JVC's Europe department, put these figures into perspective. The market share of something over 70 per cent for VHS in 1979 compared with a roughly equivalent figure of 66 per cent in 1978 when 58,000 of the 80,000 imported home video recorders were VHS machines.

He said that the UK imports of 180,000 machines compared with total Japanese exports to Europe last year of 553,318 units. This, in turn, compared with Japan's total exports last year of 1.671m home video units, and its total manufacture of 2.16m units. JVC's own share of European markets ranges between 10 and 20 per cent.

## No progress in Concorde talks

By Michael Dwyer, Aerospace Correspondent

THE JOINT British Airways-Singapore Airlines Concorde service between London and Singapore is to continue, despite the two airlines' inability to agree on the division of the costs of the service. Five days of talks in Singapore, which ended yesterday, failed to reach agreement on such matters as the compensation fee that BA pays to SIA for any loss of first-class passengers from subsonic Jumbo jet services to Concorde.

● Aeronautes del Centro of Venezuela has ordered three British Short 330 commuter airliners from Short Brothers Harland and Wolf, Reuters reports from Belfast.

## ABERCOM GROUP LIMITED

(Incorporated in the Republic of South Africa)

### INTERIM PROFIT STATEMENT

For the six months ended 31st December, 1979

Year Ended 30.6.79 R'000		Six months Ended 31.12.79 R'000	31.12.78 R'000
132,776	Turnover	74,854	59,533
8,698	Income before taxation	6,270	4,523
973	Taxation	1,490	847
7,725	Income after taxation	4,780	3,676
505	Minority interests	290	191
7,220	Total net income	4,490	3,485
15,010,000	Shares in issue*	19,520,745	14,305,708
48 cents	Earnings per share	23 cents	24 cents
25.4 pence		12.2 pence	14.0 pence
20 cents	Dividends per share	11 cents	10 cents
11.1 pence		5.8 pence	5.8 pence

### RESULTS

Abercom has achieved further substantial improvements in profits during the six months to 31 December 1979. Compared to the first half of last year, pre-tax profits increased by over 38 per cent and after tax profits by 30 per cent. Earnings per share are, however marginally lower than at the six month point last year due to the additional shares in issue and to a higher tax rate.

Our heavy engineering companies have all returned improved results. Davidson's fan manufacturing activities have performed well during the period, and the steady improvement foreseen in previous reports for Consani, Hunslet, and Metter is materialising.

### TAXATION

The overall rate of taxation has benefited from the utilisation of a portion of the assessed losses brought forward from prior years and new plant investment resulting in capital allowances.

### DIVIDEND

The outlook to June 1980 is good. Given continued political stability in the region, we would expect the upturn in profits to continue for the remainder of this financial year. Against this background your Board's policy will be to emphasise steady improvement in dividend payments. While maintaining reasonable minimum cover, it is intended to allow cover, rather than the rate of payout increase, to fluctuate.

An interim dividend of 11 cents has been approved by the Board and it is anticipated that the final dividend will not be less than this amount.

### \*SHARES IN ISSUE

At 30th June 1979 there were 19,510,745 shares in issue but because of applying a weighted average to shares issued during the year the number of shares taken into account for the purpose of calculating earnings per

share on that date was 15,010,000. Since 1st July 1979, 10,000 shares have been issued in terms of the Company's staff share purchase scheme.

### CAPITAL EXPENDITURE COMMITMENTS

Contracted for R4,004,000  
(1978 — R929,000)  
Authorised but not yet ordered R885,000  
(1978 — R242,000)

### CHANGE OF NAME

Shareholders were advised of the Company's intention to change its name to ABERCOM GROUP LIMITED at a general meeting held on 31st October 1979. This resolution was duly passed and has been registered by the Registrar of Companies. The existing share certificates, which are not being recalled for endorsement will remain good delivery in respect of all share transactions. As and when certificates are lodged for registration new certificates will be issued.

### DIVIDEND DECLARATION

Interim Dividend Number 34 has been declared at the rate of 11 cents (5.8 pence) per share (1978—10 cents) and will be payable to shareholders registered on the Johannesburg and London registers on 7th March 1980. Dividend cheques will be posted on or about 28th March 1980, those for shareholders on the London register being drawn at the rate of exchange then in force. Non-resident shareholders' tax, where applicable, will be deducted. This dividend absorbs R2,147,000.

Donald Ord — Chairman  
Peter Herbert — Chief Executive  
12th February 1980  
20 Anderson Street,  
Johannesburg, 2001,  
P.O. Box 61417,  
Marshalltown, 2107

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## OVERSEAS NEWS

## Britain aims at PLO in new Mideast peace bid

BY OUR FOREIGN STAFF

BRITAIN, in consultation with other members of the ECC, has begun an initiative on the Arab-Israeli conflict aimed at maintaining the momentum of the peace talks between Egypt and Israel.

The aim is to find a means of drawing the Palestinians, in particular the Palestine Liberation Organisation into recognising Israel directly or indirectly through acceptance of the fundamental United Nations resolution 242 of 1967, of which Britain was the main author.

This resolution calls for the "withdrawal of Israeli armed forces from territories occupied in the recent conflict" and the "acknowledgement of the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognised boundaries."

A major hindrance to Palestinian acceptance of this resolution has been the fact that it merely "affirms" the necessity for achieving a just settlement of the refugee problem. The British idea is that Resolution 242 should be reaffirmed but also supplemented by a clause calling for Palestinian self-determination

in the context of a negotiated settlement.

The impetus for this proposal to supplement the Egypt-Israel talks comes from the visit last month of Lord Carrington, the Foreign Secretary, to Turkey, Saudi Arabia, Oman, Pakistan and India following the Soviet intervention in Afghanistan. Post-Camp David negotiations appear to be reaching an impasse on the question of autonomy for the Palestinians on the West Bank of the Jordan and in the Gaza strip.

The Foreign Secretary returned firmly convinced that both the Arab and Islamic countries were hostile to the negotiations, and that whatever their merits, something extra was needed. He was convinced too that these same nations felt unable to generate regional co-operation or closer co-operation with the West until the key questions of Jerusalem, whose eastern part was annexed by Israel after the 1967 war, and of the Palestinians had been tackled.

With the U.S. Government tied up with elections, he concluded that as a means of trying to open other channels a supplemented version of Resolution 242 with European

backing would provide a way.

If the initiative succeeds and the PLO accepts a supplemented resolution with its implied recognition of Israel, Mr. Menachem Begin's Government in Israel would find it hard to continue refusing to talk with the PLO.

Success would also accelerate the gradual process of European recognition of the PLO, which has been one of the organisation's diplomatic aims in past months.

Hasan Hijazi reports from Beirut: Talks are to be held in Damascus today to determine the future of the overall Syrian role in Lebanon and to lay down a formula for a clearer relationship between the two countries.

An announcement in Beirut said the Lebanese delegation to the talks would be headed by Dr. Selim al-Hoss, the Prime Minister, and would include two Cabinet members.

The talks are successful, a conference would be arranged between Mr. Elias Sarkis, the Lebanese President, and President Hafez al-Assad of Syria, and the Syrians might put off indefinitely their decision to withdraw their forces from Beirut and its suburbs.

## U.S. retail sales surge in January

By Our U.S. Editor

THE U.S. consumer's propensity to spend continued unabated last month, with the Commerce Department reporting that retail sales rose by a remarkably strong 2.3 per cent in January, compared with December.

The Department did revise downwards its previous estimate of a 1.1 per cent advance in December to a more modest 0.5 per cent. But this did not disguise the fact that the underlying trend in consumer spending continues upwards, in spite of the ravages of inflation.

Some special factors may have been at work in the last month and more—there has been a small increase in car sales from the depressed levels of late last year, bought on by a variety of incentives to buyers offered by manufacturers.

Even so, the resilience of the consumer continues to amaze economists and to provide an underpinning to the economy which is now causing many to wonder if the long-term and widely heralded recession will indeed occur in the first half of this year—as the Carter Administration is predicting.

There is serious doubt that the sort of increase registered in January can be continued. Consumers are financing spending at a remarkable rate. The savings rate in the U.S. at the end of last year had dropped to about 3 per cent, an historically low level, while consumer debt, ever more expensive given prevailing interest rate levels, has mounted.

Some contraction, therefore, appears inevitable. But there is no unanimity of view as to when it will take place and suspicion is growing that the surge in the first month of the year alone will ensure that the economy shows some real growth in the first quarter.

## New Jersey plan to tighten casino controls

By David Lasceller in New York

NEW JERSEY'S fledgling casino gambling industry, the first outside the state of Nevada, has been hit by allegations of corruption, prompting Governor Brendan Byrne to propose tighter controls.

Saying it is time to "begin restoring public confidence" in gambling controls, he wants to abolish the State Casino Control Commission and replace it with five full-time commissioners. The commission now consists of four part-time commissioners and a full-time chairman.

He also wants an "ethics" legislation, judges and state employees from working in the casino industry within two years of leaving office.

These proposals would have to be approved by the State legislature. Governor Byrne's action was prompted by charges arising from the "Abscam" investigation that several State representatives had been selling their influence at the casino commission. "Abscam" is the popular name for the FBI's bribery investigation in which agents posed as wealthy Arabs seeking business and other favours.

## Carter unveils nuclear waste plan

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER yesterday unveiled a major nuclear waste programme, which would start burying high-level radioactive waste by the 1990s and expand storage for less dangerous spent fuel before then.

Mr. Carter called it "this nation's first comprehensive radioactive waste management programme," and said the problem of permanently isolating dangerous waste could no longer "be deferred to future generations."

The U.S., Mr. Carter said, would be pleased to store or bury "a limited amount of foreign spent fuel" where this would serve his Administration's nuclear non-proliferation goals. Mr. Carter has sought to discourage other countries from reprocessing spent fuel, because weapons-grade plutonium is extracted. But storing spent fuel is difficult for many countries without the wide-open spaces and geological variation of the U.S.

Elements of Mr. Carter's programme require congressional approval, but the President yesterday announced a number of steps and goals. Past federal efforts, he said, had foundered because states had not been closely enough involved, and he has now set up an advisory panel comprising 15 state governors and chaired by Governor Richard Riley of South Carolina, which

already has one of the country's biggest storage facilities. By 1985, Mr. Carter said, the Government would select a permanent burial ground for high-level radioactive waste from among 11 potential sites, and have it operational by the mid-1990s.

Mr. Carter is asking Congress for authority to take over next year one of several nuclear sites which are now closed down to help commercial reactors with their growing storage problem. The country's 70 operating power reactors are piling up more waste than they can house on site.

Two possible sites for this new storage facility are former reprocessing plants in South Carolina and Illinois, which Mr.

Carter shut down at the start of his term as an example to the rest of the world that the U.S. seriously believed reprocessing posed a weapons proliferation problem.

Nuclear waste disposal is an issue that has plagued the U.S. nuclear industry for several years, although the Three Mile Island reactor accident in March 1979 raised in an acute form the issue also of reactor safety.

Mr. Carter also announced yesterday the cancellation of a research programme to bury military nuclear waste in a New Mexico salt mine, but said the site would remain a candidate for the permanent burial ground.

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service jobs programme to deal with anticipated higher unemployment. He argues that the cost of this would be halved because the Government would have to make lower payments than otherwise for unemployment benefits and welfare.

Mr. Kennedy also proposed an additional \$2bn for social programmes dealing with housing, health, mass transit and the like.

The offsetting factors include ending the oil depletion allowance which would save the Government \$3bn ending the tax break for drilling exploratory oil wells, saving another \$1.5bn, a further \$1bn saved through closing tax loopholes, and a net saving of just under \$1bn on defence (achieved by

adding \$500m to outlays on conventional weapons but cutting \$500m from the MX missile programme and saving \$900m by halting construction of the planned nuclear cruiser).

The net result would be to leave the federal budget in deficit by a similar amount to the \$16bn proposed in Mr. Carter's budget.

But Mr. Kennedy made it clear that he considered the President's budget "a harsh and insensitive document that defies the great historic traditions of the Democratic Party, and promises only more hardship for the poor, the sick, the cities and, above all, for the unemployed."

## Teachers go back to work in Chicago

By Marilyn Edid in Chicago

CHICAGO'S public school teachers returned to work this week after agreement on school board spending cuts ended a two-week stoppage.

The accord restores 504 of the 2,240 jobs held by teachers' union members that had been eliminated as part of the \$87.5m plan to save the Chicago schools from bankruptcy. The school board is obliged to trim \$90m from the \$1.4bn budget this year, and another \$100m for the 1981 school year. The city's 25,000 teachers went on strike on February 4 to protest against the job cuts.

## Japan acts to curb price rises

Japan's Economic Ministers yesterday adopted three measures to curb price rises following the announcement of a 2.1 per cent rise in the wholesale price index in January, Reuter reports from Tokyo.

The measures are strict Government supervision of increases in public utility rates, scrutiny of industrial product prices and encouragement of vegetable deliveries to cities. The Government will also call for increases in electricity and city gas rates well below the 60 per cent rises sought by the power companies.

## Philippines opposition

Four Philippines political groups announced yesterday that they would unite to form a national opposition to President Ferdinand Marcos, Reuter reports from Manila.

The announcement comes a fortnight after the country's first local elections under martial law which the new group opposes. President Marcos's New Society Movement won nearly all seats in the polls to elect 73 governors, 1,500 mayors, their deputies and local councils.

## Colombo doctors 'sick'

The main hospitals of Colombo and Kandy have been disrupted because several hundred Government doctors have reported sick simultaneously, Mervyn de Silva reports from Colombo. The doctors' association said yesterday that the action would spread throughout Sri Lanka by the end of the week. The action is the climax to a six-month dispute with the Government, which will not allow its doctors to sit London examinations. Examinations are being conducted locally by a newly established post-graduate medical institute.

## Kriangsak reshuffles in bid to restore confidence

BY OUR FOREIGN STAFF

GENERAL Kriangsak Chamanand, Prime Minister of Thailand, has completely reshuffled his Cabinet in a bid to scotch mounting criticism of the Government's handling of severe economic problems.

Gen. Kriangsak has appointed Air Chief Marshal Sittithi Savet-sila as Foreign Minister in place of Dr. Upadit Pacharayangkul. Dr. Upadit, a career diplomat, has held the post through the past three Governments. He was widely regarded as a pleasant but ineffectual spokesman on foreign affairs.

Air Chief Marshal Sittithi combines his new post with those of senior refugee coordinator and secretary-general of the National Security Council. He is expected to link the Thai military more effectively with foreign policymakers and in their efforts to contain the conflict on the eastern border in neighbouring Kampuchea.

Gen. Kriangsak has resigned as Finance Minister, a move which has been widely welcomed. He has handed the portfolio to Somchai Huntrakul, an experienced financial expert who held the position before Kriangsak came to power in 1977.

News of the changes ends months of speculation over the political future of the Prime Minister. He recently cancelled a trip to Europe to deal with domestic and foreign problems. While the conflict in Kampuchea is a constant worry, most concern has been expressed over the problems in the economy, caused mainly by rising energy prices and accelerating inflation.

Gen. Prem Tinsulanonda has retained the Ministry of Defence. The survival of Gen. Kriangsak as Prime Minister is thought to depend on continued support from Gen. Prem.

Meanwhile, some 7,500 men are said to have been purged from the Iranian armed forces since last year's revolution. A report in a Tehran newspaper quoted the head of the Iranian Joint Chiefs of Staff as saying that the purge was ordered by a five-man committee at the Defence Ministry approved by the ruling Revolutionary Council.

Mr. Sadeq Qotbadeh, Iran's Foreign Minister, said he hoped the embassy hostage crisis would end soon, adding that Iran would co-operate with Dr. Kurt Waldheim, the U.N. Secretary-General, "in this matter." Mr. Qotbadeh was due to leave last night on a three-nation European tour beginning in Greece. It is his first trip abroad since becoming Foreign Minister. Agencies

## Fierce fighting in Gonbad

TEHRAN — Fierce fighting raged in the north-eastern Iranian town of Gonbad-e-Kabus yesterday as Revolutionary Guards backed by troops moved in to crush a four-day rebellion by Turkmen guerrillas.

One local resident reported that Government forces were attacking the Turkmen with artillery, mortars, grenade-launchers and automatic rifles. The guerrillas were said to be shooting back from private houses and defending themselves with grenade-launchers captured in an eight-day uprising last spring.

Hospitals refused to give casualty figures. But residents said at least six Turkmen and seven Revolutionary Guards had been killed yesterday, taking the total deaths to at least 32 with several times that number wounded.

## Nayan Chanda in Bangkok and David Dodwell in London assess the significance of Vietnam's leadership changes

THE CHANGES in the Vietnamese leadership, which coincided with the 50th anniversary of the founding of the Vietnamese Communist Party, celebrated last week, are officially intended to mark a new stage in the country's revolution.

The clear aim is to sweep aside a number of tired old revolutionaries and to revitalise the Government with younger technocrats and professionals.

The new leaders will be expected to revamp Vietnam's ailing economy, which is suffering from industrial stagnation, agricultural failure, a population explosion and galloping inflation. The heavy burden of military spending can be expected to grow rather than diminish in the near future.

The most publicised change in the Vietnamese leadership is the replacement of the legendary General Vo Nguyen Giap as Minister of Defence, though prevailing opinion in the West is that this change is more apparent than real.

General Giap has for some time been attending to broader policy issues, and is tipped by diplomats from Eastern bloc countries to be appointed Premier in the near future.

His successor as Defence Minister, General Van Thien Dung, commanded the 1975 Communist campaign to capture South Vietnam and has been responsible for military operations in Kampuchea since the invasion in January last year.

Nguyen Co Thach, regarded as a brilliant and urbane diplo-

## Hanoi decides to sweep aside its tired old revolutionaries

mat, has been appointed Foreign Minister, replacing the old and ailing Nguyen Duy Trinh.

Eastern bloc diplomats claim that Tran Quoc Hoan, the Interior Minister, has been removed because of his failure to curb pro-Peking elements in the party, and for failing to prevent the defection to China of Huang Van Huan, a former Politburo member.

Also dismissed were the chairman and vice chairman of the State Planning Commission, the Minister of Foreign Trade and ministers responsible for transport and communication. Their removal was a clear vote of no-confidence by the Party leadership in their handling of the economy.

But the changes have broader implications. The tightly-knit team that has led the Vietnamese Communist Party and ruled Communist Vietnam for the better part of 30 years is now feeling its age. For this reason, Le Duan, Secretary General of the Party since 1956, has announced that charges of "promotions and demotions" must now be regarded as a "normal activity."

The reshuffle also acknowledges changing circumstances. For men whose whole political experience has been that of fighting wars, the adjustment needed to tackle the more

## Export target: Another 500,000 population

BY DAVID TONGE

VIETNAM'S continuing desire to purge its population is still being brought home to its neighbours, despite a reduction in the flow of boat people over the last six months compared with the period before the Geneva conference at which the issue was discussed last July.

In Hong Kong there has been renewed activity by the money merchants who send funds to Vietnam to pay for refugees' passages. Some of the 421 boat people who made their way to Hong Kong in December told how low-level Vietnamese officials had been accepting bribes to turn a blind eye.

Vietnam has been telling recent visitors that they wish to send out over 500,000 people. "The Vietnamese have always been candid and always been saying this," comments Mr. Dale de Hahn, Deputy Commissioner at the United Nations

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The core of Mr. Kennedy's package is a \$5bn a year public

## Violence dents Ecuador's optimism

BY DAVID BUCHAN IN QUITO

THE resignation last week of Sr. Roberto Dunn Barreiro, Ecuador's Interior Minister, has robbed President Jaime Roldos of a key ally as his troubles mount.

Mass demonstrations against the cost of living have degenerated into street violence on several occasions in recent weeks. Sr. Dunn, who was charged with implementing many of the reforms planned by Ecuador's first constitutional regime since 1970, was forced to resign after two of the demonstrators were shot dead by police.

The former minister had also tried unsuccessfully to heal the breach between Sr. Roldos and Sr. Assad Bucaram, head of the populist party that took the President to power.

Sr. Roldos was elected last April with over 60 per cent of the vote after seven years of military rule. He took office in August amid high expectations, a dangerous start when combined with a series of severe droughts and heavy dependence on dwindling oil reserves.

Derived of the presidential candidacy by his Lebanese parentage, Sr. Bucaram has ruled absolutely in Congress. He has sent a number of inflationary and economically embarrassing projects for executive decision. Although the President's personal popularity has not suffered as a result of his vetoes, relations with Congress have, and the country's leadership has often given the impression of a beast with two heads attacking each other rather than the nation's problems.

## Sarita Kendall in Quito reports on President Roldos' problems

BY SARITA KENDALL

The President did, however, approve a congressional decree doubling the urban minimum wage to \$180 a month—a "popular" government could not do otherwise. But this has brought serious problems in its wake.

Speculators began to raise the prices of staple goods even before the new minimum wages were in force, and the threat of petrol price increases helped to send the temperature up.

At the worst moments of the ensuing protests, the presidential palace was practically under siege, with barricades and fires closing the streets of Quito the night after a schoolboy was shot dead by police.

The military, through the Minister of Defence, has reiterated its confidence in Sr.

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The core of Mr. Kennedy's package is a \$5bn a year public



## New status planned for state haulier

BY LYNTON McLAIN

THE STATE-OWNED National Freight Corporation, which the Government wants to denationalise, is expected to be set up as a limited company under the Companies' Act in the autumn.

This would be the first step towards a sale of shares in the corporation — Britain's largest road haulage operator — which has an annual turnover of over £400m.

It would also be a step towards creating a stock market sector in road haulage where none now exists. The re-formed corporation would have to compete for shareholders' funds, particularly with the privately owned Transport Development Group, which has an annual turnover of over £200m and similar operation, at £20.9m, to the corporation.

Proposals to enable the Government to transfer the corporation to a company are in the Transport Bill, now being heard

in committee in the Commons. The committee stage is expected to be completed by March 7, and the Bill is likely to become law well before the end of the parliamentary session in October.

Mr. Norman Fowler, Transport Minister, is expected to use his powers under the new legislation to turn the corporation into a company.

At that stage, all the shares would be held by the Government, but its final proposals call for most of these shares to be sold to private investors.

No share sale is expected before Christmas, but provided the stock market is buoyant and the corporation's results for this year are satisfactory — as judged by Mr. Fowler and the board — the Government is expected to sell a high proportion of the shares early in the new year.

The corporation is discussing

with unions and staff a firm proposal to move its headquarters from Argosy House, central London, to Bedford.

The corporation said yesterday that the move was unconnected with the proposed sale of shares and had been under consideration for over two years. It wants to take advantage of cheaper office rents outside the capital.

It also wants to bring together the headquarters staff of four major subsidiaries — National Carriers, British Road Services, Roadline and the Special Traffic Group. These are all in London or its suburbs.

Parcels distribution by Roadline UK, part of the corporation, is to be re-organised under a £1m investment programme, because of a declining parcels market and increased competition from the private sector.

Mr. Iain Macnab, Scottish director of Roadline UK, said £100,000 of mechanical handling and sorting equipment, and a 24-hour express delivery service for the region would be introduced this year.

The developments were planned before last winter's road haulage strike. Roadline is thought to be one of several parts of the corporation likely to show a loss when results are published in spring.

## Building societies' receipts 'less than half sum needed'

BY ANDREW TAYLOR

BUILDING SOCIETY net receipts last month were £235m, still less than half the figure the societies say they need to meet mortgage demand fully.

The January total compares with net receipts of £161m in December and £134m in November. The figure was lower than hoped for earlier in the month. At one stage net receipts near £300m were expected in January.

Mr. Norman Griggs, secretary-general of the Building Societies Association, said the improvement was no more than modest, "especially taking into account that January is usually a good month." In a normal year net receipts in January would be at least £100m higher than in December.

During the month £1.75bn was deposited in building societies. Withdrawals were high, totalling £1.52bn.

Lower net receipts are expected this month than in January, reflecting normal seasonal movements and increased competition for funds.

It has been estimated that in the next few months new National Savings Certificates issued this month could attract up to £300m of funds normally available to societies. But some

society managers said the initial impact of the new savings certificate was less than might have been expected.

The societies say they need net receipts of about £500m a month, on top of repayments of interest and capital by borrowers, to fully satisfy the demand for mortgages.

In January £530m was lent to home-buyers, and £644m promised to mortgage applicants. Mr. Griggs said this compared with average monthly lending of £740m in 1979.

The societies have said any fall in minimum lending rate was unlikely to be matched by a comparable decrease in mortgage rates. Society interest rates were more likely to reduce at a slower pace when a general fall in interest rates occurred.

Last month £352m interest was credited to investors' accounts. Borrowers repaid £255m of mortgage debts.

In January societies make the bulk of their annual tax payments. This accounted for the decline in liquid assets, from £8.24bn to £7.9bn.

The liquidity ratio unadjusted fell from 18 per cent at the end of December to 17.3 per cent. A further decline, reflecting high tax payments, can be expected in February.

## BNOC appointments are first step in reorganisation

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT has made several key appointments to the board of British National Oil Corporation as the first step to reorganising the State undertaking.

Mr. David Howell, the Energy Secretary, who is considering a plan to inject private capital into BNOC, has named five new board members.

Two will be full-time: Mr. Alastair Morton, a managing director of the corporation, and Mr. Malcolm Ford, deputy managing director of Shell UK Exploration and Production since 1978.

Mr. Morton, 42, will have executive responsibilities for finance, trading, personnel and legal matters.

Mr. Ford, 54, will be in charge of exploration, production and construction.

Mr. Ian Clark, a full-time director, will have executive responsibilities for offshore joint venture operations where BNOC is not the lead company in offshore consortia.

The appointments indicate that Mr. Morton, a part-time member of the British Steel Corporation, will have a key role in the oil-trading arm of BNOC.

This business is expected to be separated from other corporation activities and kept solely under State control. It is not clear whether Mr. Morton will retain responsibilities for personnel, legal and financial matters in the new set-up.

Mr. Ford, with Shell for 28 years, and Mr. Clark seem destined to be among the leaders of the oil exploration and production company.

Private shareholding is expected to be invited into this undertaking. A sale of shares could raise between £500m and £1bn for the Exchequer, though the "privatisation" operation is not expected to be attempted in one step.

The Government has indicated that it wants to spread BNOC shares widely among a large number of small investors. With this in mind, the sale of BNOC shares could be undertaken in stages.

The three new part-time board members will be Mr. Lawrence Tindale, 58, joint deputy chairman of Finance for Industry since 1974. Previously he was with the Industrial and Commercial Finance Corporation as assistant general manager and later as director and general manager.

Mr. Jack Lofthouse, 60, a director of Imperial Chemical Industries for the past nine years. He was with ICI for over 40 years, and was a member of the Northern Economic Advisory Council.

Mr. Alcon Copisarow, 59, a director and vice-president of McKinsey and Co. from 1966 to 1976. Since 1974 he has been a General Commissioner of Income Tax. Mr. Copisarow is a member of the Press Council and a trustee of the Duke of Edinburgh's Award Scheme.

The board

BNOC's board now consists of Mr. Ronald Utiger, acting chairman and chief executive; Lord Croham, the deputy chairman; three full-time members and nine part-time members.

It was not clear last night whether the chairman and chief executives of the divided oil corporation would be taken from the present list of executives or whether Mr. Howell has still to make further appointments.

Mr. Utiger, who is chairman of British Aluminium, has made clear that he regards his BNOC positions as temporary while the corporation is revamped.

## Lloyd's broker sued by Sasse Turnbull

BY JOHN MOORE

SASSE TURNBULL, the managing company of the troubled Lloyd's underwriting syndicate which is facing insurance losses of £20.2m, is suing Brentnall Beard International, the Lloyd's broker, and Brentnall Beard Limited.

Brentnall Beard said yesterday that it intended to defend its position vigorously.

Sasse Turnbull's action — served as a third party notice on the companies — comes in a week during which it has sued Lloyd's of London, also through a third party notice.

Sasse Turnbull's moves follow unprecedented legal action by 96 members of the syndicate, which have sued Lloyd's and a number of underwriting agents, including Sasse Turnbull.

In its action against Brentnall Beard International and Brentnall Beard Limited, insurance brokers to the Sasse syndicate number 762 which is facing the losses, Sasse Turnbull alleges that the brokers were in breach of duty. Sasse Turnbull claims that:

UNDERCUT

● Brentnall Beard never disclosed to Sasse Turnbull that insurance business written through a U.S. binding authority — a device whereby outsiders can produce insurance business on behalf of Lloyd's syndicates — was largely an "extremely dubious block of business" which had cost the Argonaut Insurance Company in the U.S. large losses and which was uninsurable by reputable insurers save under a special state insurance scheme.

The brokers, it is claimed, failed to disclose that it was

planned to underwrite the business by underwriting the state insurance scheme.

● Business was underwritten in the U.S. although the coverholders acting for the syndicate did not have proper authority and had not been approved under Lloyd's market procedures.

● The brokers failed to inform Sasse Turnbull accurately of the amount of premium income which would be generated under a binding authority operated by a company called Den-Har, "despite your knowledge that the amount of business being generated would cause the premium limits of syndicate 762 to be exceeded."

● It is claimed that the profitability, premium income and the nature of the business were misrepresented to Sasse Turnbull.

Failure

On insurance business produced through a Canadian binding authority, Sasse Turnbull alleges that:

● The brokers failed to make portfolio transfers in respect of a Canadian binder in 1974 and subsequent years.

● In 1975 and 1976 the brokers failed to sign some, and in 1977 any, premiums and/or claims through the Lloyd's Policy Signing Office.

● The brokers misled Sasse Turnbull as to the amount of premium income which would be generated and which later led to the syndicate's premium limits being exceeded.

● Business was conducted through the Canadian binder although the persons conducting the business had no proper authority.

## Better living for most of Britain

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

DIFFERENCES in the standard of living between the less-affluent parts of Britain and those better off narrowed in the early 'seventies but there is some evidence that this may have reversed as the decade ended.

The 1980 edition of Regional Statistics, published by the Central Statistical Office today, shows that incomes in Scotland, Northern Ireland, Wales, the South West of England and East Anglia tended to get nearer the national average, spending patterns around the country became more alike and unemployment differences were reduced.

Although the figures relate to the years 1971 to 1977 they lend substance to the belief that successive governments' aid policies had a considerable effect on regional Britain.

Gross domestic product in Scotland, the North and Yorkshire and Humberside grew faster than the UK average. The first two were major beneficiaries of regional aid.

By contrast, the richest two regions, the South East and the

West Midlands, fell back. However, GDP in Greater London was still almost a third above the UK average in 1977.

The statistics indicate a Britain that, in material goods anyway, is enjoying higher standards. Between 1969-70 and 1977-78 the percentage of homes with central heating doubled almost doubled. Seven homes in every ten had a phone in 1978 and 57 per cent had at least one car — the heaviest concentrations being in the South West and East Anglia.

Three homes in four had a washing machine, nine out of ten a fridge and almost every one a television set. Only four people in every 100 did not have television while in the North only two in a hundred are without. Two out of every three sets last year received colour.

In the North almost half the heads of households in the region were manual workers. However, their wage levels were higher than in any other part of Britain with the exception of the South East.

Regional Statistics 15. SO; £11.75.

## £11,000 paid for Venetian 16th-century plate

A VENETIAN diamond-encrusted laticcio plate of the late 16th century sold for £11,000 (plus the 11.5 per cent buyer's premium and VAT) at Christie's yesterday. Only four similar plates are recorded, two of which are in the British Museum. The plate was sent for sale by the Earl of Clanwilliam and bought by Helde Hubner, the German dealer.

Hubner also paid £5,800 for a Nuremberg-engraved goblet and cover of about 1680 while Dreestman, a Dutch dealer,

acquired a stipple-engraved goblet of about 1750 for £2,900. A lacoon-de-veze laticcio bowl of around 1600 went to H.

### SALEROOM

BY ANTONY THORNCROFT

Phillips, the London dealer, for £2,200. Manchester City Art Gallery paid £420 for an A. J. F. Christy (Lambeth) oviform vase, designed by Richard Redgrave in 1847.

# WANTED. MANAGING DIRECTOR WILLING TO LEARN BUILDING TRADE.

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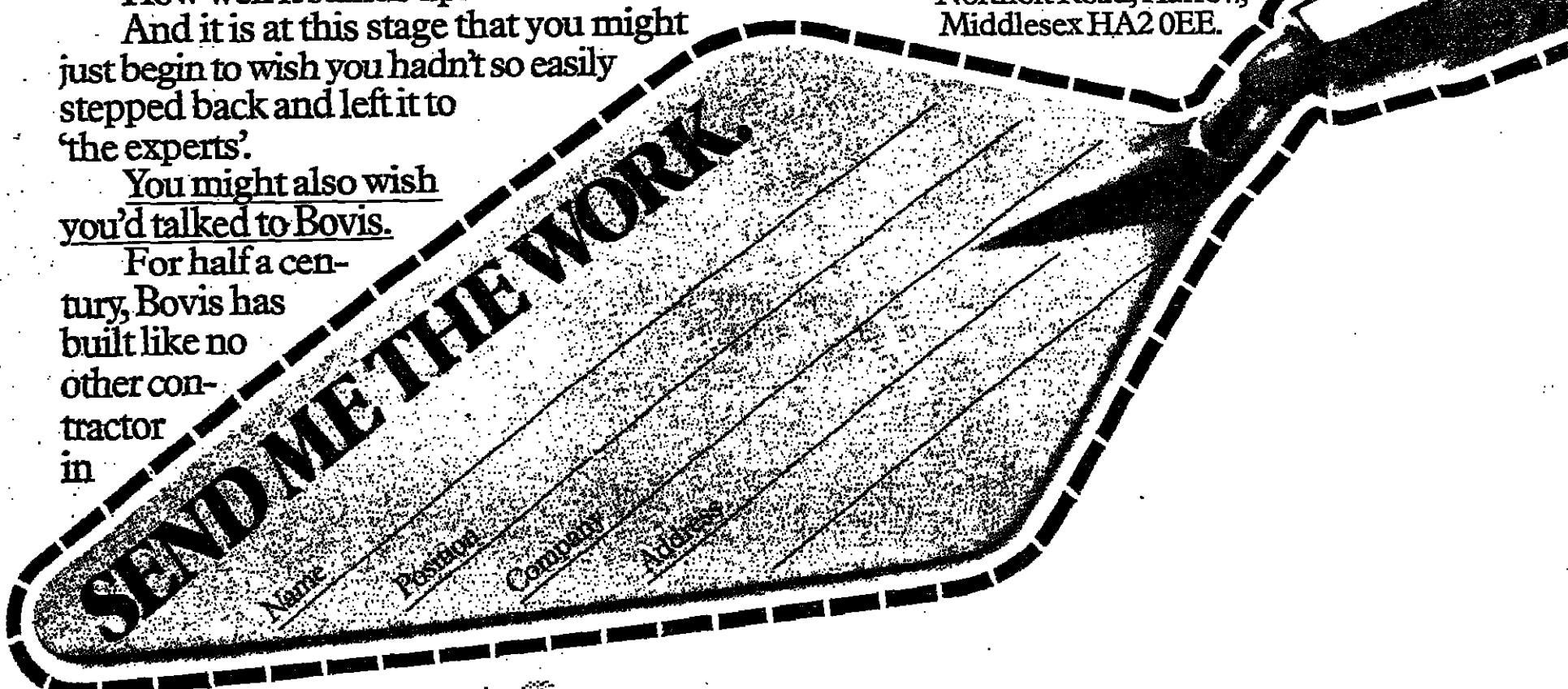
the land. Our approach — the by now famous Bovis Fee System — avoids all of the pitfalls which otherwise spring open at your feet.

We've proved it on every kind of construction. In retailing, commerce, industry and the public sector. From the refurbishment of theatres and opera houses to last minute 'rescue' operations where other systems have failed.

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## Bovis Building Business



UK NEWS — LABOUR

Export of scrap escapes restriction

By Roy Hodson

THE GOVERNMENT is expected to allow steel scrap to continue to be exported freely at least until the middle of 1980 to lessen the impact of the steel strike upon the £1bn-a-year reclamation trade.

Restrictions upon scrap steel exports were removed for an experimental six-month period last September. Since then the scrap industry has increased its exports by 60 per cent to 1.6m tonnes a year, worth some £30m a year in foreign exchange.

Exports have been keeping the scrap industry in business in recent weeks, Mr. Tony Bird, president of the British Scrap Federation, said yesterday.

Some companies in the industry have had to lay off workers because of the impact of the steel strike. But most companies are keeping going with the help of export business, sales to foundries and sales to those private-sector steel companies still producing.

British Steel has bought virtually no scrap since last November.

Scrap companies have been pressing the Government to accept that the steel strike could cripple their business if export restrictions were to be reimposed during or after the strike.

Exports in 1979 were the highest in value in the history of the British reclamation industry at £75m compared with £63m in 1978.

The trading of scrap steel inside the EEC, and the trading of Community scrap with other nations, may shortly be put on a more formal basis. The plan for restructuring the Community steel industry currently being pursued by Viscount Etienne Davignon, the European industrial commissioner, calls for a new EEC scrap trading policy.

Nick Garnett reports from Sheffield

Steelmen braced for strike through spring

STEELMEN ON the South Yorkshire picket lines are now bracing themselves for the possibility of a strike stretching through the spring.

Although most Iron and Steel Trades Confederation officials and shop stewards in the area still believe on balance the dispute will end within the next three weeks, they also accept that the strike could be less than halfway through.

Steelworkers are suffering real hardships—both of mind and pocket. The average man has so far lost £600 in earnings and many are now delving into savings to support their families.

The stoppage has slipped into a kind of no-man's-land, as bleak and quiet as the narrow strip between Sheffield and Rotherham dominated by steelworks, as busy as a provincial city centre on a Sunday afternoon.

Even some active pickets are operating only a six-hour shift every two or three days, or, for some, a four-hour shift every week.

The time spent at home has had a debilitating effect. "I've been going to sleep in the early evenings, it's so boring," one picket complained. "It simply gets you down."

Insult

A reflection of these difficulties was the strikers' response to the rapid collapse of negotiations last week. Pickets said the debacle was an enormous disappointment.

However, in spite of these problems, pickets appeared to be unanimous yesterday that there has been no real erosion of resolve. The memory of the original 2 per cent offer—regarded by the strikers as an insult—rancours more now than it did then.

The feeling of being singled out by the Government is as strong now as at the beginning of the strike and has been compounded by recent pay settlements and offers in the public sector.

"What productivity and profits have the police and the dustmen?" one striker said. "Yet it's only us they say are scroungers. The Government thought we were a soft touch and have gone out to get us."

Mr. Joe Pickles, ITC divisional officer, said any return to work in the private sector would not affect the determination of BSC strikers.

Pickets said yesterday most strikers had adjusted to new financial circumstances and this was a symptom of the way they had dug in their heels.

These factors are helping to sustain the strike and appear to be tightening the resolve to achieve a settlement higher than they would have been prepared to accept a few weeks ago.

Strikers said hardship was also making steel men more resistant to the idea of negotiating productivity improvements. Many said these were the real "bogeys" in the corporation's various proposals.

Picket after picket said the offer made to the general and craft unions would have prevented a strike if it had been made to the ITC before the dispute started. Now, however, it was simply not enough.

There are differing opinions as to what would be acceptable to ITC members. A number of pickets and strike committee members said a 14 or 15 per cent offer without strings would be seen as a major and acceptable victory rather than the 20 per cent hoisted as a target by some strikers.

Mr. Pickles said if craft and general unions accept what the ITC sees as a low offer attached to productivity improvements, that could affect the ITC's resolve to fight the dispute.

Mr. Williams said the agreement accentuated the threat of job losses in the coal industry. It covered only the current year. The £22m subsidy the NCB was using to achieve a competitive coking coal price, against imports, had come from investment funds earmarked to improve the efficiency of the industry.

The miners will meet steelworkers from Port Talbot and Llanwern later this week to discuss co-ordinating the fight against BSC's planned rundown of both works—a move which also threatens Welsh pit closures and redundancies.

Meanwhile, the Newport steel strike committee covering Llanwern and a number of other BSC plants in South East Wales, has decided to urge the Iron and Steel Confederation's central strike committee to withdraw safety cover at all corporation plants.

Four boilermen at the Whitehead works, Newport, have already been withdrawn. Local managers are keeping the boilers stoked.

Dockers' talks resume

PAY TALKS between the dockers' union and the London enclosed docks employers resumed today, although both sides are pessimistic over the extent of the differences in their bargaining positions.

Yesterday, work at the upper docks was at a standstill because of the strike by the National Amalgamated Stevedores and Dockers' Union. Six ships were affected in the Royal, India and Millwall docks but three ships were handled at Tilbury.

The NASDU called out more than 1,000 dockers on Monday, and some 3,000 members of the Transport and General Workers'

Union have refused to cross picket lines. Dockers handling container traffic at Tilbury turned up for work normally.

Mr. Les Newman, general secretary of NASDU, said last night that the strike was entirely over money. Dockers' pay had slipped down the league table with hundreds of London dockers taking home £81 a week.

The employers, dominated by the Port of London Authority, have placed a ceiling of 12 per cent on a new pay offer but NASDU has asked for about a 30 per cent increase and the TGWU about 40 per cent.

Miners unmoved by coking coal pact

By Robin Reeves, Welsh Correspondent

SOUTH WALES miners' leaders are unimpressed by this week's agreement between the National Coal Board and the British Steel Corporation to stem the increase in coking coal imports.

Following a meeting of the local executive, Mr. Emyrn Williams, the South Wales miners' president said the deal—under which BSC has agreed not to expand its imports of coking coal this year—does not change the situation one iota.

The Welsh miners are spearheading demands at both the Wales TUC and British TUC level for an all-out strike in March in the coal, steel and related transport industries against the threatened closures and mass redundancies in these industries.

Mr. Williams said the agreement accentuated the threat of job losses in the coal industry. It covered only the current year. The £22m subsidy the NCB was using to achieve a competitive coking coal price, against imports, had come from investment funds earmarked to improve the efficiency of the industry.

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Four boilermen at the Whitehead works, Newport, have already been withdrawn. Local managers are keeping the boilers stoked.

Water Council holds urgent talks to avert strike

BY PHILIP BASSETT, LABOUR STAFF

WATER authority employers responded quickly yesterday to the threat of a national strike in the industry from February 25, involving the majority of its manual workers, by agreeing to hold urgent talks on pay.

The National Water Council's agreement to hold new talks follows the unexpected rejection of a 19.2 per cent pay offer by delegates from the General and Municipal Workers' Union against the recommendation of union officials. The union represents more than 20,000 workers in the water supply and sewerage industry.

No date was set yesterday for the resumed talks, although

their urgency was stressed. They will not involve the full negotiating body for the industry, but will be conducted by the secretaries and chairmen of both sides.

The agreement follows a series of telephone contacts yesterday between Mr. Eddie Newall, GMWU national officer for the industry and leading union negotiator, and Mr. Jimmy Dickens, the acting employers' side secretary.

Mr. Newall said yesterday he hoped the renewed talks would take place as soon as possible. The union also acted quickly yesterday in an attempt to forestall any unofficial action

before the due date set by the delegates' conference.

Telex messages to all nine water regions were sent out by the union yesterday following Mr. Newall's report of Monday's rejection to Mr. David Basnett, GMWU general secretary.

In addition to laying out details of the strike resolution, the messages stated: "In the meantime, our members should be advised that no industrial action should be taken without executive authority."

Mr. Basnett has agreed to call a special meeting of the appropriate sub-committee of the union's executive to discuss the

Print workers offered 14.6% basic increase

PRINTING INDUSTRY employees yesterday offered a 14.6 per cent increase on basic pay to 180,000 workers but demanded an end to demarcation and a change in recruitment policies.

The British Printing Industries Federation and the Newspaper Society made the offer to NGA, NATSOPA and SOGAT negotiators. It covers the entire printing industry apart from Fleet Street.

The federation said last night that the offer would bring minimum earnings up to £70 a week, a £7.79 increase. There would be additional increases for

higher grades, and shift payments. Average earnings in the industry outside Fleet Street are estimated to be £105 a week.

A settlement is due on April 24 and fresh talks will be held between both sides next week. The union claims an increase on basic rates of £17.75 a week and reduction in the working week from 40 hours to 37½ hours. Employers said last night that the reduction was negotiable.

NATSOPA yesterday moved to reduce differentials between provincial and Fleet Street pay rates.

'Threat to 400,000 jobs'

BY OUR LABOUR STAFF

THE TUC warned yesterday that 400,000 jobs could disappear this year—half of them in the private sector—as a result of the Government's programme of public expenditure cuts.

Launching a pamphlet on the cuts which the TUC said clearly demonstrated the devastating impact of the Government's economic policies, Mr. Len Murray, TUC general secretary, said the Government's claim

that by cutting public spending it was helping the rest of the economy to grow was the opposite of the truth.

Though the immediate impact of the cuts would be on the public sector, in local and central government, in the nationalised industries and in the Health Service, Mr. Murray said, the cuts would mean fewer purchases from private sector firms which would in turn mean greater unemployment

Cut in staff at Meccano accepted

By Gareth Griffiths, Labour Staff

UNION NEGOTIATORS at the Meccano plant in Liverpool indicated yesterday that they are prepared for a drastic slimming-down of the workforce to keep their factory open. The joint union/management working party met yesterday and will produce a study of the factory by next week. It will be helped by national union officers and an accountant from Merseyside County Council.

Mr. Mike Egan, Liverpool district officer of the General and Municipal Workers' Union, said the unions would agree to a reduction of the Meccano workforce to about 200. A proposal for a workers' co-operative backed by private money was also being considered.

About 450 of the 930 workers at the factory have already accepted redundancy payments from Airfix Industries, although the occupation of the plant will continue until the end of the month.

TUC plan to train officials and stewards

By Michael Dixon, Education Correspondent

THE TUC is to set up a firm national educational centre to provide extra courses for trade union officers and shop stewards. Although no site has yet been chosen, the centre is intended to have 100 residential places.

Loans are being sought from unions to finance the development. Mr. Clive Jenkins, the TUC education committee chairman, said in London yesterday that his union—the Association of Scientific, Technical and Manservant Staffs—had agreed to lend £250,000 over 10 years at 12 per cent interest.

Among the topics on which courses are scheduled are industrial law and handling press, radio and television.

Strike pay 'kept secret'

THE Amalgamated Union of Engineering Workers told five strikers on supplementary benefit to keep their strike pay secret, a court heard yesterday.

The AUEW "negligently and criminally advised the men," Mr. James Quirk, defending, told Warley magistrates, West Midlands.

The workers—who were on strike for more than a year—illegally claimed more than £1,200 in supplementary benefits, said Mr. Basil Corcas, prosecuting.

They failed to tell Depart-

ment of Health and Social Security officials they were receiving up to £20 a week each in strike money, saying they were being handed only £9.

The men, John Henry Adams, storekeeper, of Oldbury; Joseph Priest, handyman, also of Oldbury; Walter Henry Chiff, fisher, of Halesowen; Walter Smith, labourer, of Cradley Heath; and Eric Frank Willingale, a turner, of Halesowen, all admitted three charges of making false declarations to illegally obtain supplementary benefits.

Each was fined a total of £300.

Shipyard men hold crisis talks

PAY TALKS between union leaders of 80,000 men employed in Britain's nationalised shipbuilding and ship repairing yards and British Shipbuilders' chiefs were continuing last night.

The Confederation of Shipbuilding and Engineering Unions has lodged a claim which, if met in full, would give skilled men £110 a week compared to their current minimum of £80. However, the CSEU says the claim is only worth about 20

per cent. Pro rata increase would apply to other grades, and the unions also want a shorter working week and longer holidays. Any settlement would be backdated to January 1.

Two days have been set aside for the talks, which were adjourned last month at the request of the employers to give them time to study the claim in detail.

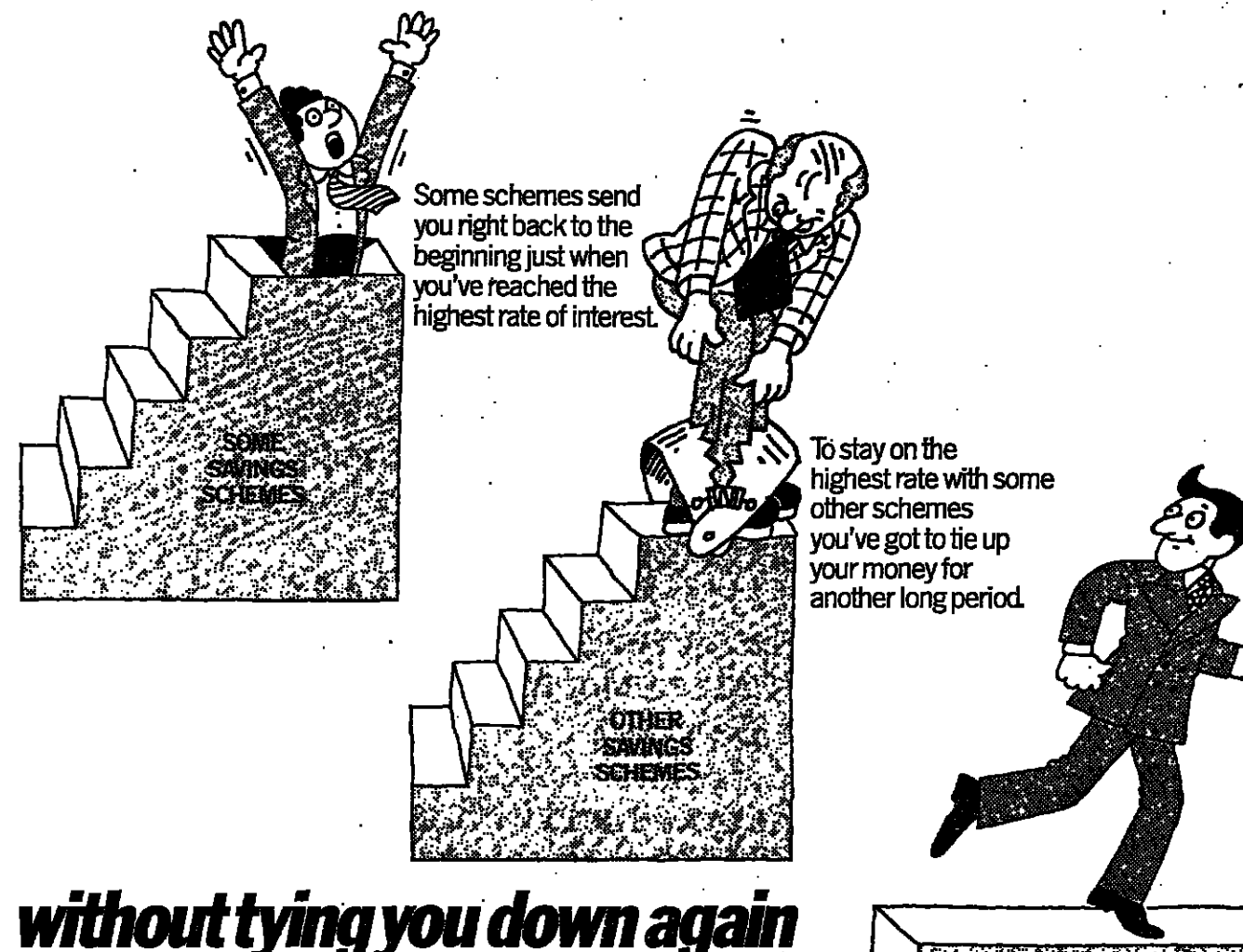
Union negotiators entering the British Shipbuilders' headquarters in Newcastle yesterday for the start of the talks were

lobbied by workers from Wear-side shipbuilders, Austin and Pickersgill, urging them not to back down on the full claim.

Mr. John Chalmers, chairman of the shipbuilding negotiating committee of the CSEU, said when the earlier talks—were adjourned that British Shipbuilders had described the claim as "exorbitant" and said it would cost them £125m.

The corporation has been told by the Government to keep its losses to within £100m for the year to March 31, 1980, and £90m the following year.

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Rate of Interest in	Initial Contracted Term	1 year	2 years	3 years	4 years	5 years
1st year	10.75	11.00	11.50	12.00	12.50	12.50
2nd year	11.00	11.00	11.50	12.00	12.50	12.50
3rd year	11.50	11.50	11.50	12.00	12.50	12.50
4th year	12.00	12.00	12.00	12.00	12.50	12.50
5th & subsequent years	12.50	12.50	12.50	12.50	12.50	12.50

Interest rates based on a Share Account rate of 10.50%. These rates may vary but the Bondshare differential above normal share rate is guaranteed: 1 year 0.25%, 2 year 0.50%, 3 year 1.00%, 4 year 1.50%, 5 year 2.00%.

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Shotton closure confirmed

BRITISH STEEL Corporation confirmed yesterday that steel-making would not be resumed at Shotton, North Wales, after the strike.

Production was due to stop at the end of the month, anyway, but BSC said that the stage has been reached when it would not be practicable to re-start, even if the strike was resolved quickly.

It has been made at Shotton for 78 years. More than 7,000 jobs will be lost there with closure of steelmaking.

Just over 3,000 will remain to work the highly specialised steel-finishing section.

Scheme to help workers set up in business

REDUNDANT steel workers are to be given the chance to start up their own businesses with the help of a free advice scheme launched yesterday.

A consultancy unit, Job Ownership, subsidised by the British Steel Corporation's Corby works group, has set up an office in the Northants town to give advice on starting small businesses and workers' co-operatives.

The scheme has been launched following a report by Corby Development Corporation and the BSC's Tubes division. Steel workers will be encouraged to use redundancy payments to work for themselves.

Oil related companies setting up in Scotland should head for the Middle East.

Of Scotland, of course! Because there you'll find the Tayside Region, home of quite a number of perceptive oil support companies as well as a broad spectrum of business from light engineering to pharmaceuticals, from small entrepreneurial businesses to giants, like General Accident in Perth, Low and Bonar in Dundee and Halliburton in Angus.

Most companies have come to Tayside for three reasons. Communications, environment and skilled labour.

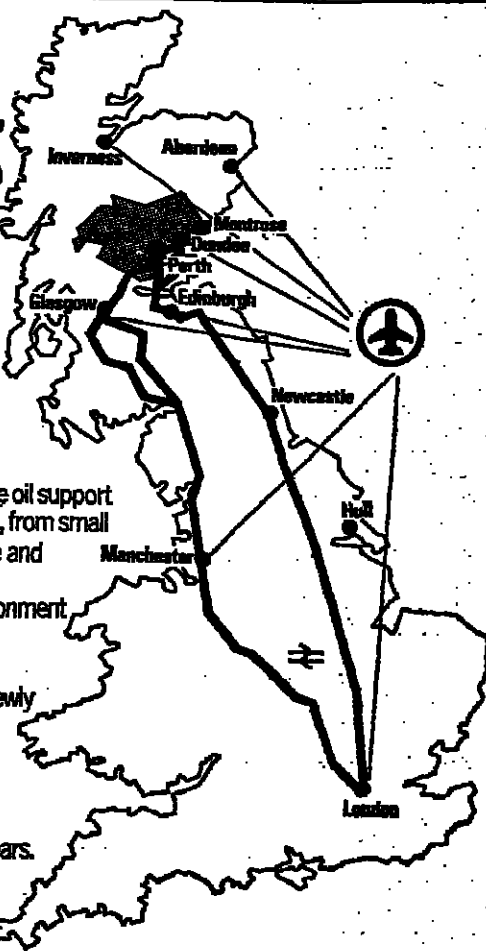
First, the region straddles Scotland's busiest lines of communication. From here you can move to all points of the compass, by rail, by sea, and by the newly built motorway south.

Second, not only is Tayside easy to get to, there are few places in Britain with such an equable environment in which to live and work.

Third, we have an ample supply of skilled, willing and amenable labour. In short, Tayside offers a package that has been attracting major companies for years. We're hungry for more and, as an added incentive, parts of the region can offer substantial financial assistance to incoming businesses.

For further information write to the Development Officer.

Tayside Region Industrial Office  
TAYSIDE REGIONAL COUNCIL  
Industrial Office Tayside House  
28 Crickton Street DUNDEE





# Salvesen Offshore quits drilling market

BY WILLIAM HALL, SHIPPING CORRESPONDENT

**SALVESEN OFFSHORE** Holdings, the first British company to try to challenge the dominance of the North American drilling companies, has pulled out of the offshore drilling market. The move comes when the offshore market is experiencing its first boom for five years as oil companies urgently search for new sources of oil.

Salvesen Offshore Holdings was formed in 1974 to acquire a drilling ship, *Dalmahoy*, already owned by another Christian Salvesen company and to acquire a further vessel for conversion into a drilling-ship.

Some 40 per cent of the £10m share capital was put up by Christian Salvesen Ltd., a large private Scottish company. The remaining 60 per cent was subscribed by Finance Corporation for Industry, North Sea Assets and a wholly owned subsidiary of Rio Tinto-Zinc.

The original idea was that

Salvesen Offshore would acquire a further two drilling ships which would have resulted in a substantial British operating company. However, cost increases on the conversion of the second vessel and a deterioration in the market for drilling ships seriously weakened Salvesen's financial position at an early stage.

The shareholders injected additional capital into the company and in 1977 subscribed £1.5m in subordinated loan stock and provided further losses. The company's bank borrowings were also rearranged but operations never reached the level of profitability required to satisfy its obligations.

The shareholders decided their commitment to the company could not be increased and sold the *Dalmahoy* for \$11.5m (£5m) early last year. This was aimed at ensuring the company had adequate finance for the foreseeable future.

In its latest annual report,

Christian Salvesen says its associated company has taken advantage of the strengthening market for drilling ships to dispose of the second drilling ship, the *Dalkeith*. Salvesen says the sale marks the end of its involvement in marine offshore drilling and would enable it to recover some of its investment from what has, for a number of reasons, turned out to be a disappointing venture.

It is thought that *Dalkeith* has been bought by Lauritzen, the Danish shipping company, for around \$20m. The vessel originally cost \$30m.

Over the last 12 months the market for drilling ships has recovered sharply as the oil companies stepped up exploration in a search for alternative sources of oil.

The daily operating revenues of drilling ships has risen from around \$14,000 per day to close to \$30,000. The value of drilling ships has also roughly doubled to around \$22m.

## Buchan Field cost

BY MAURICE SAMUELSON

**THE COST** of developing the Buchan oilfield in the North Sea is expected to be £50m more than the original budget of £120m by the time production starts later this year.

British Petroleum, the field's manager, blamed this yesterday on the delays in completing its floating production platform, which will be towed out to sea on May 31. The platform was converted from a former drilling platform for about £60m, twice the original estimate.

The work, at Stornoway in the Outer Hebrides, was delayed by a number of months by many technical problems and by labour trouble.

Conversion proved far more complicated than envisaged. Mr. Ken Jamieson, joint projects manager of BP Development, said that oil prices cushioned the effect of the delays.

Production, first fixed for last September, is expected in August.

BP's partners in the venture are Candel Oil (UK); Gas and Oil Acreage; Lochie Exploration; Natomas International; St. Joe Minerals; and Charterhall Finance. BP's share is 51.1 per cent.

JAPANESE PORTABLES POSE A CHALLENGE

## Hard times for typewriter plants

BY JOHN LLOYD

UK TYPEWRITER MARKET (units sold)

	1977	1978	1979
Heavy duty office machines (electric)	65,700	95,200	128,000
Compact office machines (electric)	9,500	14,000	20,000
Portables (electric)	13,500	29,000	44,000
Heavy duty office machines (manual)	48,000	54,000	76,000
Large portables (manual)	22,000	20,000	26,000
Small portables (manual)	94,000	109,000	152,000

Sources: Trade Estimates.

**THE SHAPE** of the typewriter market is changing. And the catalysts of change are electronic technology and the Japanese.

The announcement earlier this week by SCM that it intended to lay off 500 of its 1,000 Glasgow plant workers is somewhat misleading as an indicator of the trend. The Glasgow plant manufactures electric golf-ball, or single-element, portables, a market which, as the table shows, is doing well.

The cause of the lay-offs was the loss of a contract from Olivetti (from whom SCM bought the plant over two years ago) which accounted for half of its production. Olivetti wants to get out of the market, but SCM believes it can stay in successfully.

### Problem

The problem is not just the flat market, but the strengthening of the pound which has meant that sales in the U.S. are increasingly difficult to achieve. SCM says Olivetti simply could not compete, but says its own greater strength in its U.S. home base, with a more familiar name, should enable it to do so.

It is more concerned with the market for manual portables, and with the future of its West Bromwich plant where these machines are made.

Though the market continues to grow, and is unlikely to suffer unduly from electric or electronic competition in the next few years, Japanese manufacturers are bringing in machines at extremely low prices, and last year achieved an estimated 35 per cent share of the small manual portable market.

The major Japanese brands are Brother and Silver Reed, while OEM, the UK marketing company which handles West German Triumph Adler machines, imports portables from Japan and sells under the Imperial label.

Ironically, SCM itself has probably contributed to increasing the pressure in the Euro-

pean market. The company recently won a suit in the U.S. Supreme Court against Japanese manufacturers, who were found to be selling at unfair prices.

Although the judgment is provisional, imports have been largely halted pending an appeal: the Japanese are likely to turn more concentrated attention to Western Europe, especially to West Germany.

In sales of larger machines, Olivetti, IBM and Triumph Adler dominate the European market, with IBM tending to set the pace in electronic machines, but with the other two able to compete successfully across the range.

Manuals are dropping as a share of the market, although cuts in public sector expenditure have meant that the change is slower than expected. At the same time, larger organisations are showing

interest in electronic typewriters and word-processing systems, an interest which is expected to grow more rapidly in succeeding years.

Thus, while the exchange rate hurts SCM's UK plants, it helps the companies, like Olivetti, IBM and OEM, which import all of their products for the UK market and allows them to remain more competitive with the Japanese than they would otherwise be. They have also, so far, faced little competition from that quarter in large machines, although it is clear that Japanese companies are gearing themselves up for just such an assault.

### Segmenting

"The market is segmenting itself quite sharply now," says Mr. Chris Hedges, SCM's UK marketing director. "People are now able to choose from a wide range of machines, and are going for what suits their particular needs. The trend remains towards electronics, but manual portables will still be a good market if you can keep the prices down."

For the moment, however, it appears that the difficulties of keeping prices low are large, and that the pressure on SCM's West Bromwich plant, which employs 700 workers, remain intense.

## North Sea 'insurance club' plan

BY MARTIN DICKSON

**THE OCCIDENTAL** North Sea consortium is trying to form a new type of "insurance club" to give other operators easier access to the Tharos, a £40m emergency support vessel it has introduced to the North Sea.

The Japanese-built vessel is a semi-submersible with advanced fire-fighting, emergency support, maintenance and diving facilities.

For most of the year it will serve the Occidental consortium's Piper and Claymore fields, which lie close together, but for three months it will be available for use at BP's Forties field, about 50 miles away. BP has a 25 per cent stake in the Tharos.

The insurance club would allow other nearby operators emergency use of the Tharos at a rate well below the estimated

£140,000 a day it would normally cost third parties. In return club members would pay a proportion of the vessel's operating costs.

Membership would involve signing cross indemnification papers which would relieve the Tharos owners of responsibility for damage caused to a rig or platform while answering an emergency call.

Mr. Leon Daniel, executive vice president of Occidental's North Sea operations, said: "If we have cross indemnity ahead of time it's going to make us respond to emergencies much quicker."

The Piper field, which began production in late 1976, is estimated to have reached peak production of about 270,000 barrels a day in 1979 and is producing about 250,000 b/d.

Even at an annual 10-15 per cent depletion rate, the field should be producing oil for at least another 16 years.

BP's partners in the venture are Candel Oil (UK); Gas and Oil Acreage; Lochie Exploration; Natomas International; St. Joe Minerals; and Charterhall Finance. BP's share is 51.1 per cent.

## Smaller companies 'have better growth'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

**PROMOTION EFFORT** to attract U.S. investment should be directed towards smaller companies, which have a better record of expansion than larger companies, according to a study published yesterday by the Scottish Office.

The authors, Prof. Neil Hood and Mr. Stephen Young, interviewed 20 U.S. companies with subsidiaries in Scotland. They conclude that the smaller companies looked on as "profit centres" by their managements and accounting for 40 per cent of U.S. manufacturing operations in Scotland, had the most rapid growth record in the decade up to 1976.

Those which were part of a large integrated European manufacturing network and regarded as "cost centres" by

their managements, tended to perform poorly. U.S. executives took a generally pessimistic view of the survival of Scottish plants employing 2,000 people or more, says the study.

It recommends that an attempt should be made to identify those smaller U.S. companies which are on the verge of expansion and at an early stage in their European strategies.

As the availability of investment from the U.S. slows down and competition to attract plants becomes more intensive, a much more co-ordinated approach to promotion is needed, says the study.

European Development Strategies of U.S. companies in Scotland, HMSO, £8.00.

## Record £49m revenue from Saab's UK sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

**THE SWEDISH** car group subsidiary, Saab (GB), achieved record results last year with revenue of £49m, representing a 44 per cent increase over the previous year.

Of the total, new car sales accounted for £42.2m, up 45 per cent, and Saab parts £5.3m, a 41 per cent rise.

Total new car sales reached 8,976, nearly 29 per cent up on 1978 and the third highest achieved by Saab in the UK. The previous best sales of around 10,000 and 11,000 in 1972 and 1973 included 5,000 of the considerably cheaper 95/96/V4 models.

Mr. John Smerdon, managing director, said yesterday: "We feel there is a long way to go before we realise our full potential in this market. Even in the current uncertain economic climate we are still aiming for 11,500 sales this year."

"Quite apart from the fact that we are less affected than the smaller, high volume makes, we are benefiting in the present circumstances in that owners of larger-engined cars are now looking at our models in an effort to reduce fuel costs yet retain a high specification."

## Research into reasons for buying foreign cars

**A PILOT STUDY** into the reasons why Britons have been increasingly buying foreign cars will be financed by the Social Science Research Council. Foreign cars account for just under 60 per cent of the UK market, compared with 34 per cent five years ago.

The SSRC has granted £9,800 to Professor Martyn Cordey-Hayes, head of Cranfield Institute of Technology's Centre for Transport Studies, for the study, which will be undertaken in the next 12 months. It is initially confined to Bedfordshire, but may be broadened into a national study if new research techniques to be used for it prove successful.

The institute said the research will employ a different approach to that usually used in investigating attitudes and beliefs of new-car buyers. Traditionally, owners have been asked to rate features which researchers have thought

important in influencing choice of car.

But Prof. Cordey-Hayes said: "Clearly there may be a serious discrepancy between what the researcher thinks important—and consequently the way he frames his questionnaire—and what the buyer considers important."

The institute will use a technique known as the "expectancy value model." This relates a purchaser's beliefs about a car to his overall attitude and to how the attitude affects his behaviour.

For example, a potential buyer may believe that one make of car rusts faster than another. The extent to which such individual beliefs cluster together to form an overall attitude, and its consequent effect on choice of purchase, forms the core of the research.

Six different types of volume-produced car will be investigated. The study will be concerned only with private buyers.

## Commercial and Industrial opportunities in London:

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Over £200 million is being spent in the next three years alone on housing, transport and other new projects.

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The London Industrial Centre, the main information source for new schemes, provides a free advisory service on business opportunities throughout the whole GLC area.

See for yourself some of the progress that has been made in the past few months in Docklands alone:



**Attractive Housing.** Many new units are completed and in occupation. All the new housing complies with the Docklands criteria that no unit is above five storeys.



**Better Road Access.** The six-mile East Cross Route is completed and eliminates the old bottlenecks and low bridges between Hackney and Greenwich.

**One of our Liquid Assets.** The Victoria Deepwater Terminal is Docklands' containerisation centre. Situated on the banks of the River Thames near the Blackwall Tunnel.



**New Factories and Warehouses.** Many new factory and warehouse units are under construction in Docklands. These at North Woolwich Road are completed and in use.

**Passenger Rail Links.** The Crosstown Link Line is now open, servicing the northern sections of Docklands from North Woolwich, and providing interchanges with BR and tube networks.

**Direct Route to Europe.** A new Jetfoil service will provide high speed access from St. Katharine Docks to Ostend.



For more information: Docklands Development Organisation at Blackfriars House, 19 New Bridge Street, EC4V 6DB specialises in Docklands.

And the London Industrial Centre at County Hall, SE1 7PB services the whole Greater London area.

Both services are on 01-633 2424. They give free expert help on location, planning, finance, manpower and building.

**LONDON DOCKLANDS**  
**LONDON INDUSTRIAL CENTRE**  
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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

## ENERGY

### Fuel cell research project in U.S.

MASSIVE amounts of money are being earmarked in America for research into alternative sources of energy, or more economical methods of using what fuels exist, and in recent months much more interest than hitherto has been shown in fuel cells—the most efficient converters of chemical energy into electricity.

Latest award for fuel cell development to be disclosed is one of \$17m which has gone to General Electric of the USA for work on the molten lithium carbonate electrolyte fuel cell, operating on a mixture of hydrogen and carbon monoxide on the one hand, and the oxygen contained in air on the other.

The schematic released by the company shows the cell with end plates having gas feed/exhaust tubes, anode and cathode current collectors, and a nickel anode and nickel oxide cathode, arranged on each side of what the company describes as the "electrolyte tile" in which the lithium carbonate is held in place in a sintered structure of lithium aluminate.

But the award does not look only at the fuel cell itself. GE will be required to integrate the production of the hydrogen/carbon monoxide mixture by a coal gasification process with the successful development and scaling up of the fuel cell itself.

The basic idea behind this is that the U.S. Department of Energy is seeking at one and the same time to extract much

more energy from the coal consumed while keeping pollution of the environment down to a minimum. Fume emission is more easily controlled in gasification processes, while the fuel cell itself produces no "fumes" or noise. Typically, efficiencies in coal utilisation of 50 per cent are aimed at compared with 30 to 35 per cent for conventional plants.

However, a power complex built up from molten carbonate fuel cells (MCFC) would look very different from a standard coal-burning power station.

The cells being considered at the moment would have an output level of about 0.8 volts and produce between 0.3 and 1.3 kW, depending on the size finally chosen. These cells would be arranged in stacks giving several hundred kW of output at, say, 500 volts. Several stacks would be assembled into a transportable pressure vessel and the whole system would operate at about 650 degrees C.

It is intended, in the present research programme, to connect an operating MCFC stack to a coal gasifier. Meanwhile, because all the pressure vessels, or modules, operate at 650° C, the excess heat generated can be captured to drive steam or gas turbines and thus contribute to the overall high energy utilisation.

If liquid fuels are used as the starting point for the MCFC, then the efficiency goes up still further. However, the present programme is limited to coal. Where a steam cycle heat

recuperation plant is specified, existing coal-fired plants could be retrofitted with modules to replace boiler sections as these come up for replacement.

Fuels cells can also be sited, at will, close to fuel supplies or to the load.

It seems, at present, that the MCFC has the edge over the other U.S. contenders—the phosphoric acid cell which operates at 200° C, and the oxide cell which is still at the laboratory stage, though even higher conversion factors are claimed for it.

The first phase of the current development programme is expected to be completed by the summer of 1982. Depending on the outcome, GE expects that such coal-based fuel cells could be commercially available in 1986.

Advice on the project is being provided by a panel of seven utilities and the Electric Power Research Institute. Two utilities will provide engineering and planning support. The Institute of Gas Technology will provide aid on the longevity and contamination of the fuel cell itself.

GE (USA) Fuel Cell Project, Energy Systems Programs Department, Suite 500, 80 Wolf Road, Albany, New York 12205, U.S.

### Making the most of fuel

STAL-LAVAL, Sweden, has received an order for one of its GT 35 gas turbines from the Dutch company, Stork Boilers. The turbine will be installed at the Avebe potato-starch plant at Foxhol, Holland, and includes a waste-heat recovery boiler to generate process steam at 40 bar from the energy in the exhaust gases.

Natural gas is the fuel, and the waste-heat boiler will be in the exhaust gas stream. Supplementary firing is included and the complete installation will have a very good rate of energy utilisation.

The waste-heat boiler will also be supplied by Stork. Stal-Laval, Crown House, Morden Road, Surrey, SM4 5DX, 01-543 3476.

## HANDLING

### Materials gathered and blended

BARREL-TYPE blender-reclaimer equipment being installed in Brazil will be the first of its type to use the external-conveyor design initiated by Babcock-Moxey. The equipment will be used in the handling of iron ore.

Until now, such reclaimers have scooped up material as they advanced along a stockpile, and deposited it through holes in the barrel itself to a gathering conveyor running through the barrel to discharge at either end.

This layout has three disadvantages which the new Babcock-Moxey design sets out to solve. The beam stiffness of the barrel, which may span as much as 40 metres can be reduced by cutting holes in it. These also tend to create points of high stress concentration and fatigue cracking can thus develop at the corners of the holes.

## DATA PROCESSING

### Easy-to-use equipment

MANY purveyors of so-called personal computers say these machines can be used as small business systems. Adler Business Systems has looked at the pros and cons of these claims and has decided to launch, instead, a minimal system that offers simple automated business routines coupled with robust output equipment that can cope with hour after hour of invoice printing, stock situation printouts and so on.

TABS 1100C display and disc computer describes the equipment for which the software packages have been rewritten rather than—as often is the case—downgraded from more powerful computers.

To be launched in Britain next week, the equipment and its software packages can be up and working in a week and what is more important from the viewpoint of the small busi-

nessman, training takes so little time that everyone in the accounts department will then be able to use the equipment. The 1100C is menu-driven, with the important difference that menu options are limited and progress is constantly shown in the top right-hand corner of the display. Thus, the unit to some degree provides the best of both worlds in that it offers a choice, while providing operator prompting, and avoids the time otherwise spent in displaying the various menu routines on full screen.

Equipment includes a large keyboard with movable display, central processor with 16K core memory which can be expanded to 32K, two floppy discs and a tough matrix printer which has been designed specifically to keep noise in an accounting office down to an almost imperceptible level.

Nevertheless, it operates at 180 characters per second. Interesting in the choice of the software packages—and indeed of the system itself—is the provision by Adler of a series of questionnaires that a prospective buyer can consult to determine what are his needs and whether or not the machine and its software routines can solve his particular problems.

The amount of time this can save a busy executive—and for that matter a busy computer salesman—is hard to over-estimate.

The support and drive arrangements are, of necessity, complicated and the enclosure of the gathering conveyor within the barrel makes access for maintenance awkward. Personnel have to enter the barrel itself, and careful and rigorously observed safety procedures and interlocks are essential.

The barrel of the new Babcock-Moxey machine has no weakening cut-outs. The barrel section is designed on patented principles to ensure that material gathered by the scoops is accurately deposited on an external gathering conveyor. The section is essentially 12-sided and can be assembled from flat plate, internally braced transversely and longitudinally. A maximum of six scoops can be positioned at alternate apexes of the barrel section, the following apex serving to throw the discharged material clear of the next scoop and on to the gathering conveyor.

The scoops themselves are double-sided, which enables the machine to be used (with the addition of a second gathering conveyor) in either direction. The Babcock-Moxey blender-reclaimer is the only British-designed, British-made machine of its type, and shows considerable advantages over machines currently in use the company asserts. It can be used for all types of material in quarries or steelworks, handling coal and so on.

In particular, cost will be lower thanks to simple, durable design, and ease of maintenance. Reclaim capacities up to 3,000 tons/hour of high density material are available. All the principal features of the machine, especially its barrel and scoop configuration, have been extensively rig tested.

## IN THE OFFICE

### High speed addressing of mail

ENVELOPES and the outer wrappings of parcels can have their destination addresses printed directly on them by Bell and Howell's ink-jet printing machine.

The company says its first machine for doing this is being used by Mail Marketing (Bristol). Together with associated equipment it has cost £26,000 and will print at a speed of 2,200 characters per second.

Ink-jet printing not only cuts out one process—printing on to labels which are then stuck on envelopes or parcels—but it also allows upper and lower case types to be used. Type size to emphasise town, post code or other important information can be varied.

The equipment is known as the Bell and Howell 1/J 96 and it uses a synthesised black ink which replaces the purple organic dye which up to now has characterised ink-jet print out, says the company. It is part of a fully integrated system operable from data sources such as computer, magnetic tape or floppy disc either from Bell and Howell's own list management system or from other existing installations. Up to eight lines of imprinted information may be placed on a sized to focus attention on important details.

More details can be obtained from the Business Equipment Division of Bell and Howell at 33-35 Woodthorpe Road, Ashford, Middlesex. (Ashford 51234).

## SAFETY

### Checks for toxic gases

A PERSONAL badge system for determining the dose of toxic gases such as sulphur dioxide has been developed by Du Pont

and is available in the UK from Shawcity.

Each of these "Pro-Tec" badges consists of plastic sheets bonded together to form several blisters, one of which contains an absorbing solution and the others reagents. When the badge is removed from its sealed envelope for use, a diffuser connected to the absorbing blister starts to absorb gas from the air.

The badge can be worn on the lapel and after a set period, typically a working day, it can be analysed using a read-out unit. The reagent blisters are pressed allowing a weak seal to break and the contents to mix with the absorbing reagent. After 15 minutes, a colour change will take place to a degree governed by the amount of gas absorbed.

Insertion of the used badge into the read-out unit gives a reading in ppm hours or percentage of threshold level.

Shawcity is at 2 Pioneer Road, Faringdon, Oxfordshire SN7 7BU (0367 21675).

### Preparation of castings speeded

ONE ASPECT of the generator manufacturing process has been cut from several hours to about 75 minutes in a complex which boasts one of the most modern facilities in the country for the preparation of components and castings, says Newage Engineers, PO Box 17, Barnack Road, Stamford. (0780 25527).

At these works, the company has now completed a fully-automated £4m development which includes a new cleaning and spray-paint shop housed in a 6,800 sq ft tailor-made building. In the preparation shop, castings (hooked to an endless moving track) pass through two wide U-shaped metal ducts in a two phase operation. The first is an acid-based cleaning process, followed by washing and drying, and the second a dipping process to establish a penetrating undercoating.

Environmental testing has also been the subject of heavy investment by the company and the Stamford works contains a special chamber for temperature and humidity testing.

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systems.  
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work for you.

### INSTRUMENTS

#### Micro will aid metrology

LATEST RANGE of metrology systems from Rank Taylor Hobson, to be exhibited at Mech 80 in Birmingham, April 22 to May 2, are backed by micro-computer power and offer a wide spectrum of ability for assessing roundness, surface finish and form, to various levels of precision.

The company says that most metrology requirements can be met. Data from complex analyses of workpiece surface, roundness or straightness is presented on a screen, a chart recorder, a digital display or a print-out. Even in the most complicated of the systems the operator uses only a simple conversational sequence in question and answer form. Result is an increase in the speed of measurement without the need for additional operator skills.

Dependent upon the system, hardware can consist of a combined visual display unit and microprocessor with a hand-held keyboard, or in the more complex arrangements separate computer and display with a full size keyboard/printer terminal. Floppy disc storage is used in some cases.

More from P.O. Box 36, Guthlaxton Street, Leicester LE2 0SP (0533 23501).

### Analyser is made easier to operate

SERIES 304 chromatograph from Pye Unicam has a parameter keyboard which is intended to give assistance to the user. This is accomplished by the use of operating keys labelled in familiar chromatographic terms, a set of status lights and an ergonomic front panel layout.

A digital display gives information about the current state of the instrument and shows all set parameters and actual values and instantly highlights illogical entries and oversights, as well as diagnostics when necessary.

The chromatographer is notified of any problems immediately because a built-in integrity check—which occurs each time the unit is "powered-up"—covers the display, status lights and memory. Rapid identification of any fault is achieved by the use of a signature analysis which quickly pinpoints the fault location.

Series 304 incorporates start-up/cool-down sequences which ensure that the detectors are kept at a higher temperature than the injector and columns during this phase.

A data protect system prevents unauthorised changing of set parameter values; an automatic start-up sequence enables ovens to be time-programmed to heat up and stabilise at any time, and temperature range protection means the three heated zones can have their temperature ranges limited to any desired value to protect columns, detectors and injectors.

A microprocessor helps to simplify data and sequence handling.

Pye Unicam, York Street, Cambridge. 0223 358866.



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airways**  
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### BASE LENDING RATES

A.B.N. Bank	17%	Guinness Mahon	17%
Allied Irish Bank	17%	Hambros Bank	17%
Amro Bank	17%	Hill Samuel	17%
American Express Bk.	17%	C. Hoare & Co.	17%
Henry Ansbacher	17%	Hongkong & Shanghai	17%
A.P. Banks Ltd.	17%	Industrial Bk. of Scot.	17%
Arbuthnot Latham	17%	Keyser Ullmann	17%
Associates Cap. Corp.	17%	Knowles & Co. Ltd.	17%
Banco de Bilbao	17%	Lloyds Bank	17%
Bank of Credit & Cmce.	17%	Edward Manson & Co.	17%
Bank of Cyprus	17%	Midland Bank	17%
Bank of N.S.W.	17%	Samuel Montagu	17%
Banque Belge Ltd.	17%	Morgan Grenfell	17%
Banque du Rhone et de	17%	National Westminster	17%
la Tamise S.A.	17%	Norwich General Trust	17%
Barclays Bank	17%	P. S. Refson & Co.	17%
Bremer Holdings Ltd.	17%	Rossminster	17%
Brit. Bank of Mid. East	17%	Ryl. Bk. Canada (Ldn.)	17%
Brown Shipley	17%	Schlesinger Limited	17%
Canada Perm't Trust	17%	E. S. Schwab	17%
Cayzer Ltd.	17%	Security Trust Co. Ltd.	17%
Cedar Holdings	17%	Standard Chartered	17%
Charterhouse Japhet	17%	Trade Dev. Bank	17%
Choulatons	17%	Trustee Savings Bank	17%
C. E. Coates	17%	Twentieth Century Bk.	17%
Consolidated Credits	17%	United Bank of Kuwait	17%
Co-operative Bank	17%	Whiteaway Laidlaw	17%
Corinthian Secs.	17%	Williams & Glyn's	17%
The Cyprus Popular Bk.	17%	Winttrust Secs. Ltd.	17%
Duncan Lawrie	17%	Yorkshire Bank	17%
Egall Trust	17%	Members of the Accepting Houses	17%
E. T. Trust Limited	17%	Committee	17%
First Nat. Fin. Corp.	17%	7-day deposits 15% 1-month	17%
First Nat. Secs. Ltd.	17%	deposits 15.5% up to £25,000	17%
First Nat. Secs. Ltd.	17%	and over 15% up to £25,000	17%
Robert Fraser	17%	15% and over £25,000 15%	17%
Antony Gibbs	17%	Call deposit over £25,000 15%	17%
Greyhound Guaranty	17%	Demand deposits 15%	17%
Grindlays Bank	17%		



# £700m to be spent on airport expansion

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE British Airports Authority expects to spend about £700m, at today's prices, on developments at its airports in the next five years.

This includes the fourth terminal at Heathrow, the proposed second terminal at Gatwick—now the subject of a public planning inquiry—and the start of development of Stansted, Essex.

Mr. Norman Payne, BAA chairman, said excluding land, Terminal Four at Heathrow would cost about £140m and the first phase of Stansted's development about £250m.

"Last year air transport in the UK employed over 80,000

people and contributed a net addition to the country's invisible earnings of about £350m," he said.

"In contrast to many of our older industries, air transport's prospects, as we enter the 1980s, are good. This country needs new enterprises if we are to remain a vigorous industrialised country."

"Air transport, providing it is allowed to grow, can make a real contribution to the generation of wealth and employment in Britain."

"Modern and efficient airports are vital to us, and are an indivisible part of an efficient air transport industry."

"With sensitive planning and imagination, they can be developed to serve the community and provide the businessman and the tourist with the opportunity to travel, thus retaining for Britain its position as the most important centre for international air transport outside the U.S."

Mr. Payne said that the growth rate of air travel to and from the UK would probably decline from the 7.5 per cent a year of the late-1970s to about 3 per cent in the 1980s, but this would still mean a substantial increase in the number of passengers every year.

## Boys' car design into production

Financial Times Reporter

A FOUR-WHEELED car for disabled people designed and built by boys from Shrewsbury School will go into production in the Midlands with the help of the National Research Development Corporation (NRDC).

It is hoped to produce 400 of the vehicles a year by 1982. It is estimated retail price will be £4,500 at today's prices.

A new company has been formed to build the car—Elswick Special Vehicles of Elswick, Warwickshire, part of Elswick Hopper, manufacturers and distributors of cycles, agricultural equipment and special vehicles in a £200,000 joint venture with the NRDC. Called "Invashrew," the car has been created to provide mobility for disabled drivers. Its design was evolved from the idea of a car that could be driven from a wheelchair.

The car is flexible enough to seat two wheelchairs, plus two or three passengers. An alternative layout would be one wheelchair, a car seat and two or three passengers.

Incorporating ramps for easy access, the car has electrically operated side and rear doors, hand and foot controls, a hydraulic jacking system and sealant-treated tyres to minimise the risk of punctures.

## NEWS ANALYSIS—DEARER CEMENT

BY ANDREW TAYLOR

# Move to offset declining profits

THE DECISION to raise UK cement prices by 24 per cent from March 1 must be set against the background of an industry that has seen profit margins seriously eroded over the past decade by falling output and rising costs.

The increases will initially affect only ordinary Portland cement—by far the most widely used in construction. But the price of specialist cements may be expected to increase similarly.

Unlike previous price rises over the past few years, this latest increase is designed to do more than just recover costs. The industry says it needs to improve margins if it is to make much needed investment in new energy-efficient plant.

The industry has declined as UK construction activity has diminished, and deliveries of cement in Britain have slumped from a peak of 19.8m tonnes in 1973 to 14.9m tonnes last year.

Although last year's figure represents an improvement on 1973 deliveries, it is still only 3.5 per cent more than the 14.4m tonnes delivered in 1977—the low point for the decade.

Since 1970 the number of UK cement-producing works has fallen from 51 to around 30. At least one major plant has been closed—Tunnel Holdings' West Thurrock works—which had an annual capacity of about 1m tonnes.

Despite this rationalisation, the Price Commission report into Rugby Portland Cement, published last April, estimated that the industry still had a production capacity of 19.5m tonnes.

Since before the last war the prices of Portland cements have been governed by a common pricing agreement between the cement manufacturers. Twice this cartel, now under the umbrella of the Cement Makers' Federation, has been unsuccessfully challenged in the Restrictive Practices Court, most recently in 1973.

More recently the industry has been the subject of two separate Price Commission investigations. Over the past 18 months the Commission produced reports on Rugby Portland and Blue Circle Cement. In both cases, price increases being sought were approved although there were complaints that the existence of a price fixing agreement had led to management inefficiency.

## Largest

There are just seven UK manufacturers of Portland cement and six of these—Blue Circle, Rugby Portland, Tunnel Holdings, Ribblesdale Cement, Ketton Portland and Abertawe Bristol Channel Portland Cement are members of the Cement Makers' Federation. The seventh, ICI (by far

the smallest manufacturer) although not a member of the Federation, markets its cement through Blue Circle.

Blue Circle is easily the largest UK producer, controlling around 60 per cent of the home market. Rugby Portland is the second largest, producer with a 16 per cent share and Tunnel comes next with 10 per cent.

The price of Portland cement has risen quite sharply over the past two years. In 1978 prices increased by 10 per cent and last year by more than 24 per cent, with rises spread over two stages. A 13 per cent increase last August should have provided some assistance to UK cement profits in the second half of 1979 after a rather flat showing in the first half.

The Cement Makers' Federation argues that past increases have done no more than keep pace with costs. The industry's return on capital employed on a depreciated replacement cost basis has averaged between 4 and 4½ per cent throughout the late 1970s.

By comparison, the industry says that, on the same basis, the return on capital for other quasi-monopolistic building materials groups, such as manufacturers of roofing tiles and bricks, has been in double figures.

It is estimated that by increasing cement prices by 24 per cent the return on capital could im-

prove to between 5 and 6 per cent this year after allowing for a forecast decline in UK cement deliveries in 1980 of between 3 and 5 per cent.

At the same time, the increase will combat rising electricity, oil and coal prices. Energy accounts for around 41 per cent of total manufacturing costs.

## Diversified

As the UK cement industry has gone into reverse, major manufacturers like Blue Circle, Rugby Portland and Tunnel have turned either to overseas markets or diversified into new areas in an attempt to offset declining output and profitability of UK cement operations.

Tunnel Holdings, for example, paid £10.5m in 1978 to acquire the specialty chemicals division of Barrow Hepburn, which contributed £1.4m to first-half profits last year, which rose by almost 50 per cent to £5.26m.

Blue Circle is presently pursuing a bid worth around £33m for Armitage Shanks, the sanitary-ware manufacturer.

In the UK, however, the construction industry remains under a cloud. Last year construction activity is estimated to have fallen by 3 per cent, with a further 3 per cent decline forecast for the current year.

## UK idle shipping cut by 54%

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE TONNAGE of the UK merchant fleet laid up, fell by 54 per cent during 1979. There were 16 ships laid up totalling 1.7m dwt. At the end of the year there were 41 ships in the world totalling 11.1m dwt laid up. This compares with 593 ships (31.2m dwt) at the end of 1978 and a peak figure of 763 ships (57.0m dwt) in June, 1978.

The big reduction in the tonnage of idle ships occurred during the first nine months of 1979. For the last three months it hovered around the 11m-12m dwt mark.

Just over three-quarters of the laid-up tonnage (8.4m dwt) represents tankers and the rest is dry cargo, according to the

General Council of British Shipping.

In terms of total tonnage idle, the UK ranks second in the world to Liberia, but tops the table when only laid-up tanker tonnage is considered.

Overall, 4 per cent of the UK fleet is idle, which compares with an average of 2 per cent for the world.

## Brooke leaves EMI board

BY REG VAUGHAN

MR. ROGER BROOKE, who became group managing director of EMI last June, has resigned from the board following the merger with Thorn Electrical Industries.

Mr. Brooke said: "The fact that I would go was evident to both parties from the moment the merger was proposed. The job I had been appointed to do had just disappeared." Mr. Brooke took up his post with EMI soon after Thorn appointed Mr. Peter Laister, from Ellerman Lines, as its new managing director in place of Mr. Jack Strower.

## Stressed

Mr. Brooke stressed that the parting was "amicable and civilised." He had a service contract with EMI terminable at three years' notice but Mr. Brooke declined to discuss the terms of his parting. His service agreement provided for an annual remuneration of £40,280.

Mr. Brooke is a former vice-chairman of Pearson Longman, which company he left to join EMI. At the same time, he

## Peace-maker for border country

THE HEAD of Ireland's 3.5m Roman Catholics, Cardinal Tomás O'Fiaich, yesterday appointed a special reconciliation officer to improve relations with Protestants in the strife-torn border area of Armagh.

Father Gerard Clifford, 39, a curate in the County Armagh town of Portadown, which has a large Protestant population, is to "help heal the wounds of the past."

## NFC looks at office move

THE NATIONAL Freight Corporation is discussing with staff and trade unions a proposal to move its headquarters to Bedford.

## APPOINTMENTS

# Change of chief executive at Costain Group

Mr. Peter J. Costain has been appointed a director of COSTAIN GROUP and has become group chief executive in succession to Mr. C. T. Wyatt, who is deputy chairman. Mr. Costain joined the group in 1963. Since 1965 he has held executive positions with Costain Australia, becoming chief executive of that company in 1973.

Mr. Fane Vernon, chairman of Ash and Lacy, has joined the BRITISH DREDGING COMPANY as chairman. He succeeds Mr. Bryan J. H. Clark, who in line with his statement at the annual meeting last August, has relinquished the chairmanship, but remains chief executive and has become deputy chairman. Mr. Christopher M. Glover continues as managing director of the group.

The British Dredging Group, which made a loss in the first six months to June 30, 1979, due mainly to bad weather in the first quarter and losses in the engineering division, states that it has operated profitably in the second six months and continues to benefit from the programme of re-organisation and consolidation.



Mr. Fane Vernon

Following the annual meeting of ASH AND LACY on May 14, 1980, Mr. Vernon is to be



Mr. Peter Costain

succeeded as managing director of that company by Mr. David Fletcher. Mr. Vernon, who has held that position at Ash and Lacy for 21 years and for the last nine years has combined the post with that of chairman, will continue as chairman on a part-time basis. At the same time Mr. James Philpotts will become deputy managing director of Ash and Lacy and Mr. Harry Scaldwell joins the Board of that concern.

Mr. Russell L. Miller has joined the Board of GUILDWAY as financial director and company secretary. He was previously group chief accountant at Fitch Lovell.

Mr. Ian Dickenson-Standing has become managing director of MINET LEASING SERVICES and Mr. Tony E. Hart has been appointed associate director. The company is a subsidiary of Minet Holdings.

Lord Harvey of Prestbury has become a director and chairman of HARVEY & BOYCE and Mr. D. M. G. Welch has been made a director. The appointments follow the resignation of Mr. David Boyce.



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## FINANCIAL TIMES SURVEY

Wednesday February 13 1980

مكتبة الصحافة

## MINING EQUIPMENT

Coal is, and will remain, a vital source of energy and mining offers substantial opportunities for equipment manufacturers. The National Coal Board provides a strong home base for British companies, but despite this their exporting prospects are far from certain. They face tough competition from Germany and Japan.

## High oil prices aid the industry

By Hazel Duffy

THE MINING machinery industry is one of that select group which stands to benefit from the rise in oil prices that is changing the world economic scene. The growing emphasis on coal in those countries fortunate enough to enjoy large reserves is expected to lead to increasing demand for mining equipment.

The pace of progress may not be as fast as many would like—in the U.S., for instance, there has been much talk about building synthetic fuel plants using coal as the base product, but actual development has been far from swift.

Nevertheless, coal has a prominent role to play in the future supply of energy, and the opportunities for equipment companies which are already in the forefront of technological developments promise to be substantial. In equipment for the deep mining of coal, the European manufacturers can justifiably claim for the moment to have an edge over the rest of the world in the technology

known as longwall mining. American companies, however, will be attempting to close the gap.

The Americans dominate the market for opencast mining machinery, reflecting both the widespread use of opencast mining in the U.S. and also the important position that American companies hold in the area of heavy construction equipment, much of which is used in the excavation and transport of coal at surface mines. The German industry also has some prominent companies supplying opencast mines, particularly in bucket wheel excavators, while the French and Japanese are also strong competitors in various parts of the world.

Much of the equipment used in mining and transporting coal is also used in the mining of other ores. This is particularly true of drilling equipment, haulage trucks, materials handling systems, and excavators. In deep mining, there is also some overlap between equipment required for coal retrieval, and that for underground mining of gold, copper, tin, etc.

For all types of equipment there is vigorous competition in export markets between manufacturers. The number of completely new mines which are sunk are few and far between. The Chinese are planning a \$500m "greenfield" mining development in the Datong region, for instance, which is arousing great interest on the part of equipment suppliers. Most of the demand for machinery, however, is created by the extension of existing mines, and modernisation of existing faces.

The existence of a constant level of demand from the home market is a valuable basis for

any industry. In the UK this is being provided by the National Coal Board, which takes around 80 per cent of the equipment made in the UK. Over the next five years, the NCB is expected to invest at the rate of around £500m annually, nearly all of it being spent in Britain. The support of the NCB, as a customer, partner in research and development, and not least as a showcase for potential overseas buyers, is of invaluable support to the British industry.

## Warning notes

In spite of these advantages, the export future for these companies specialising in mining equipment is far from assured. The NEDO sector working party (SWP), in its progress report published today, sounds some warning notes as far as exports are concerned. Most of the exporting is confined to a few specialised companies, and one or two of them have done well. The main markets in the past few years have been the U.S. and China. More recently, there have been some important contracts in countries like Egypt and Bangladesh, while Swaziland is expected to assign a big contract soon. The prime competitors of the UK are Germany, and, increasingly, Japan. The conclusion of the sector working party is that British companies have not done as well as their position in the world mining machinery league would have suggested.

The SWP, which had set a target of doubling exports between 1975 and 1981, makes some points about why it thinks the industry has lagged behind Germany. A-German companies are better able to organise themselves into consortia when

quoting for large contracts, and certainly are superior in putting together turnkey deals. The British say this is because the Germans have more fruitful relationships with their banks.

SOME LEADING MANUFACTURERS OF MINING EQUIPMENT			
Anderson Strathclyde	UK	Coal cutting machines, conveyors	
Atlas Copco	Sweden	Compressors, drilling equipment	
CompAir	UK	Drilling equipment, portable and stationary air compressors	
Ingersoll-Rand	U.S.	Drilling equipment, electric shovels	
Gardner-Denver	U.S.	Drilling equipment, electric shovels	
Joy Manufacturing	U.S.	Drilling equipment, electric shovels	
Harnischfeger	U.S.	Drilling equipment, electric shovels	
Dowty	UK	Roof supports, conveyors	
Gallieck Dobson	UK	Roof supports, ripping machines	
Hitachi	Japan	Loaders, handling equipment, cranes	
Klockner-Becorit	Germany	Roof supports, conveyors	
Krupp	Germany	Mining systems, mineral processing plants	
Mannesmann Demag	Germany	Heading and tunnelling machines, cranes and excavators	
Marion Power and Shovel (Dresser Industries)	U.S.	Draglines, cranes	
Poelain	France	Shovels, excavators	
Ransomes and Rapier	UK	Draglines, cranes, shovels, drills	
Ruston Bucyrus/Bucyrus Erie	UK/U.S.	Draglines, cranes, shovels, drills	
GHH Sterkrade	Germany	Roof supports, handling equipment	

In addition, many companies making earthmoving equipment also supply mining equipment, e.g. Caterpillar, Euclid, General Motors (Terex), and Orenstein and Koppel. Other companies involved in electrical equipment, communications, materials handling, and process plant also play an important part in the equipping of mines.

by the undoubted success of German companies in the U.S., for example, where longwall mining equipment is being installed more extensively. It even suggests that a group should go to Germany to make a comparability study of German companies. The proposal negotiated with the Overseas Project Group at the British Overseas Trade Board for a funding facility of feasibility studies for new mining developments has come up against the problem of expense. The idea was that the studies be carried out by British Mining Consultants and offered to a potential

overseas customer on the understanding that British equipment would be specified where possible. Two ideal candidates, in China, have presented themselves, but the cost is considerably above that negotiated with OPG.

The SWP also proposes that the Government develop an active counter-trading policy; introduce some profit element for those consultants using OPG funds to assist feasibility studies; and raise the level of tax relief on time spent abroad by export staff.

The mining equipment sector in Britain is highly fragmented,

apart from the few large specialised companies, and a number of companies providing ancillary equipment to the mining industry, there are about 100 companies in the sector, many of them small to medium-sized.

This sort of structure can make communication within the industry more difficult (although almost all belong to ABMEC, the trade association which is concerned with exporting), and can limit the availability of finance for the advancement of research and development, or simply for the task of seeking out export opportunities. When such opportunities are picked up, the customer, particularly in developing countries, may well want a complete "turnkey" deal to be arranged.

Research is continuous into the conversion of coal into liquid fuels, with the possibility that at some time this may even be done underground. The continuous development of mining techniques supports the general climate of optimism which is evident in the equipment industry.

The expertise and exchange of information does not stop with the extraction of the coal from the mine. The development of coal preparation plants, for instance, is another area where the NCB works with the industry and aims to increase its export effectiveness. In spite of the huge advances that have been made in mining technology since the last war, however, there is no hint of any easing up. The advent of electronics, both as a means of controlling specific items of equipment, and for complete communication systems within mines, promises to open up new opportunities.

## Less equipped

The British mining equipment industry, in common with other sectors of British industry, seems less equipped to put together such deals than its competitors.

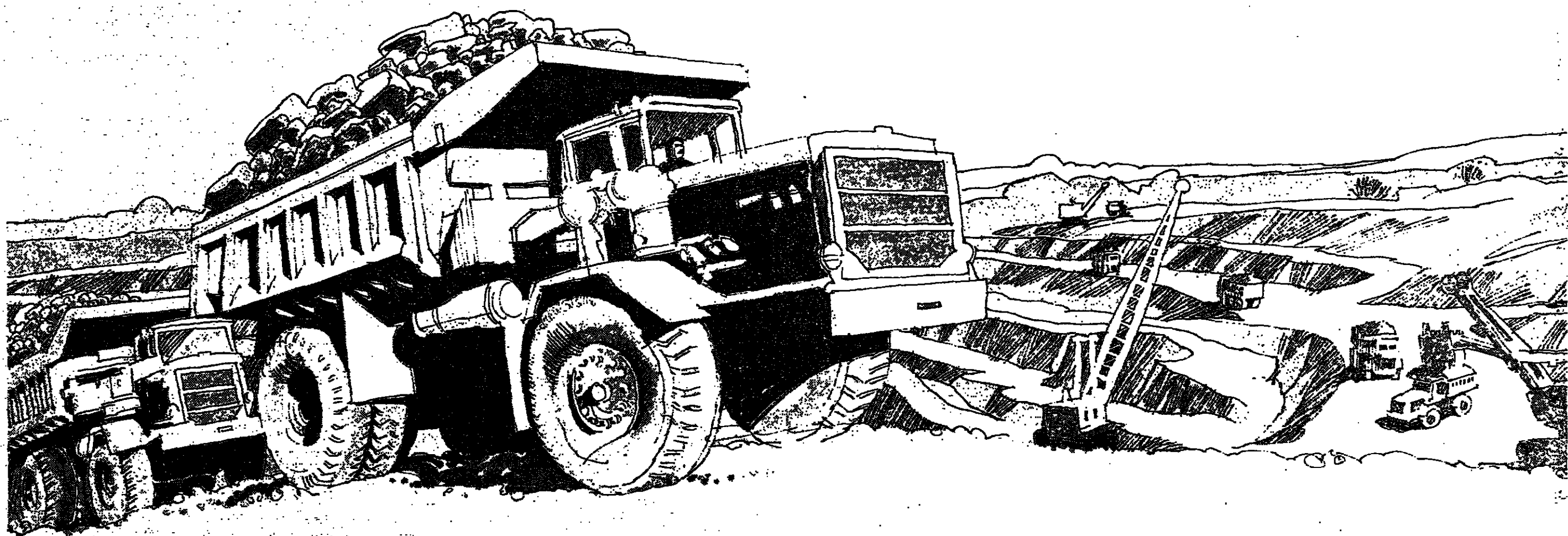
Another problem increasingly being encountered by companies seeking to export to Communist countries is that of counter-trading. It is not impossible, but it does require the expertise of brokers at additional expense, hence the recommendation of the SWP that the Government develop a policy on this type of trading.

Technical expertise is a prime ingredient in the mining industry. Systems are required increasingly to be more efficient, and at the same time, safer, than ever before. It is a field where Britain's long experience of coal mining gives the whole industry a tremendous advantage. Furthermore,

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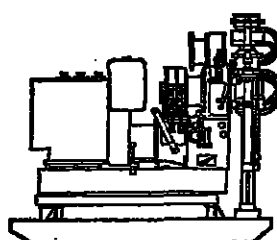
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# Coal Board relies on British machinery

THE MODERN coal face bears little resemblance to the old pick and shovel method of hewing coal as modern radio equipment does to the crystal set. It is refreshing to find that, at least as far as British mines are concerned, almost all of the equipment has been designed and made in the U.K.

The efficient production of coal, together with the ever-increasing requirements of the safety of the coal workers and the protection of the environment, combine to put growing demands on the technology of mining equipment. Close co-operation between the research facilities of the National Coal Board (NCB) and of the equipment companies themselves has ensured that in the method known as longwall mining (which accounts for 95 per cent of the NCB's deep mining), the UK can claim to be joint leader with the Germans on a world-wide basis. Sales of mining equipment in 1978 totalled £499.8m of which 7.5 per cent was exported. (It should be noted that this export figure is accounted for primarily by only three or four major companies, while the total excludes materials handling equipment, such as conveyor systems and other types of equipment which are not for mining purposes solely. In addition, the export figure was not typical, and will prove considerably higher in 1979.)

The NCB's 10-year plan, known as "Plan for Coal", laid down an ambitious programme of capital investment and expansion in the post-1974 oil crisis climate. The latest published figures show that the NCB invested £454m in capital projects in 1978/9, of which £182m was in major projects costing over £500,000 apiece. This represented a doubling of overall capital expenditure in real terms over the previous five years. The plan calls for substantial investment in modernising and further developing existing mines, as well as in starting up new mines. One such scheme at Kelling, for example, is for a major reconstruction involving seam development, additional washing and blending facilities, and a bunker-type rapid loading system. The cost is put at £33m. The NCB's plans incorporate many aspects of mining engineering—for instance of sinking new shafts, and building underground roadways. They also require expensive capital equipment—it is estimated that

equipping a new face with heavy duty longwall mining equipment can cost up to £3m. The biggest single item at the coal-face is the roof support. Not so very long ago, these were simple timber supports that had to be cut to accommodate the height of the chamber. Today they are sophisticated, hydraulic-powered steel supports which are attached to the conveyor system on to which the coal is discharged, and then advance themselves behind the power loader which extracts the coal. Powered roof supports are normally engineered for specific customers, each face requiring certain variations.

### Major suppliers

The leading manufacturers in the UK of supports are Dowty and Gullick Dobson (part of Dobson Park Industries). Both are major suppliers to the NCB, with Gullick supplying about 55 per cent of the NCB's requirements and Dowty the second largest supplier. A smaller manufacturer of roof supports is Hurwood, an old-established company which is now part of the Babcock and Wilcox group, and makes a range of other types of mining equipment, including conveyors.

Both Gullick (based in Wigan) and Dowty (based in Gloucestershire) make other types of mining equipment in addition to roof supports. Gullick has recently developed, in conjunction with the NCB, a roof-mounted ripping machine which is designed for use in main roadways where access for floor-mounted machines is difficult. Mining equipment accounted for sales of nearly £80m by Gullick in 1978/79. The introduction of the impact ripper has also had some overlap with the company's industrial division, as it has some applications in civil engineering. Dowty strengthened its mining equipment range early in the 70s when it bought the conveyor manufacturers now known as Dowty Mecro. The company makes armoured face conveyors (a product first developed by the German mining industry) and belt conveyors. As the face conveyor has to marry up with the roof support system, it is an obvious advantage for Dowty to be able to quote for both types of equipment. Dowty Mecro turnover is £50m a year, while Dowty Mining Equipment (primarily roof supports) is £100m annually. Dowty has been particularly

successful in export markets. It is the first British equipment manufacturer to assemble in the U.S., an achievement which has greatly helped it in establishing a respectable share of the small, but growing, U.S. market for longwall mining equipment. The company is fighting hard in the U.S. against tough competition from Germany, while it is hopeful of another order from China before very long (the last equipment for the \$80m China order, which \$70m was for Dowty equipment—was finished recently).

China will continue to offer big opportunities for the British industry but there are no doubt problems over negotiating satisfactory financial arrangements—with the Chinese still seemingly insisting on counter-trading as a means of payments. While this might be acceptable to the Germans and French, it is unlikely to be so in coal-rich Britain.

The relationship between the equipment companies and the NCB, which is by far their largest customer, is important in assessing the companies' future in export markets. The NCB is very conscious of the need for the industry to export. The establishment couple of years ago of British Coal International, which indirectly is largely funded through the NCB, is a case in point.

The NCB also has a half-share with Powell Duffryn in British Mining Consultants, a consultancy body which could have considerable potential for gently steering overseas work in the direction of British companies.

The NEDO sector working party report makes it clear, however, that Britain is in danger of lagging behind the Germans in exports for reasons quite apart from technology. The Germans are said to be effective in putting together "turnkey deals". Although the British industry has some experience in this field, it seems to fail to clinch orders sometimes at almost the last moment. There is much talk of "soft loans" being granted by the governments of competitors. Certainly it is a case that the German equipment industry, which is reckoned to be about the same size as the British, must export a higher percentage of its output given that the German hard coal industry is smaller than the British.

The roof support manufacturers, supplying the largest single item of equipment, normally take the lead in putting together consortia. The next item is cutting equipment. Anderson Strathclyde, the Glasgow-based company which was a merger of Anderson, Boyes and Mavor & Coulson, is a leading producer of shearers loaders. It has developed heavy duty cutting equipment suitable for the efficient mining of thicker seams, which partners the heavy duty roof supports increasingly being required both by the NCB and overseas buyers, as well as for very thin seams.

Anderson Strathclyde does a lot of business in South Africa (although not much in longwall mining equipment, which is used far less than in Europe), the U.S., China and Europe. Total sales, including materials handling equipment for both mining and non-mining outlets and outlets and tunnelling equipment, are in excess of £50m. Another British manufacturer of cutting and conveying equipment is Mining Supplies, a smaller outfit than Anderson Strathclyde. The group aroused interest last year when Dobson

Park made a bid, but this did not succeed. The company is also engaged in electrical engineering and electronics and has a turnover of around £15m.

Mining requires a large range of equipment for transporting the coal or ore to the surface, electrical equipment including special lighting, electronic controls, etc., all of which need to be designed with a very high in-built safety factor, and coal preparation plants. Cable Belt, a Surrey company, is well known for cable conveyors for coal and copper, bauxite and iron ore mining both underground and on the surface. It exports high and medium power cables all over the world.

### Flameproof

Among leading companies are Hawker Siddeley (Brush Transformers) which has developed a range of flameproof mining transformers and switchgear. Plessey Communications, one of the world's largest suppliers of communication systems for surface and underground networks; Victor Products (Walsend), recognised worldwide for its contribution to safe lighting systems as well as drilling and cable connecting equipment. In the area of coal preparation Jenkins of Retford, now known as Babcock Minerals Engineering, Matthew Hall and Head Wrightson (now Davy International Process Engineering), are among the leaders. Other companies with a big mining commitment include Northern Engineering Industries supplying a range of electrical equipment; Adamson-Butterley (part of Norcor), which makes bulk materials handling equipment, and B.I.C.C. supplying electric cables for mining and quarrying. GEC Mechanical Handling is an important producer of

mine shaftwinding equipment. The deep mining equipment industry in Britain is dominated by British-owned companies. Open-cast mining, which occupies a much smaller part of the NCB's activities, is traditionally an area where American companies are very strong because this is a much more widely adopted system in the U.S. Much of the equipment in open-cast mining overlaps with heavy construction and quarrying equipment, where the Americans are particularly well-represented.

Notable companies in the UK are Ransomes and Rapier (part of Central and Sheerwood), which makes cranes and draglines; Ruston-Bucyrus (owned by Bucyrus-Erie, U.S., and GEC), which makes a range of heavy-duty cranes and draglines; and Frederick Parker, a leading producer of quarrying equipment. In addition, open-cast mining uses the products of a large number of construction equipment companies such as hydraulic excavators, dump trucks, etc., as far as the larger, off-highway trucks go, which transport the coal/ore, only Averling Barford, and DJB Engineering make anything approaching the size of the American and Japanese-based multi-nationals.

Mining equipment is a sector of British engineering which offers substantial opportunities for efficient well-run companies able to innovate and develop to meet the technological requirements of the future. Linked historically to an important coal industry, which is now embarking on an expansionary phase, the equipment industry has maintained a powerful presence worldwide and seems well-placed to continue doing so.

Hazel Duffy

## Opencast manufacturers face a keenly priced market

"PRICES ARE very competitive: it is a buyer's market," said a senior South African coal executive as he contemplated the struggle of the opencast machinery manufacturers to keep their sales up. It was an indication of the cyclical nature of the market and a firm reminder that, for coal at least, the swing upwards has scarcely begun.

But the manufacturers are protected to some extent as each section of the mining industry has its own cycle. Demand from the coal industry might be at a low point while orders from the copper and uranium mines are increasing. Further, there are geographical differences: although there is expansion in the Australian, European and South African coal industries, there is extensive over-capacity in the U.S.

And, among the manufacturers themselves, the cycles work differently. Gardner-Denver, the U.S. drill manufacturer, reported a year ago that demand was continuing to improve as the overhang of machinery inventories disappeared, while Harnischfeger, the U.S. group which claims to be the industry leader in electric shovels of up to 50 cubic yards, saw shipments remaining at 1978 levels.

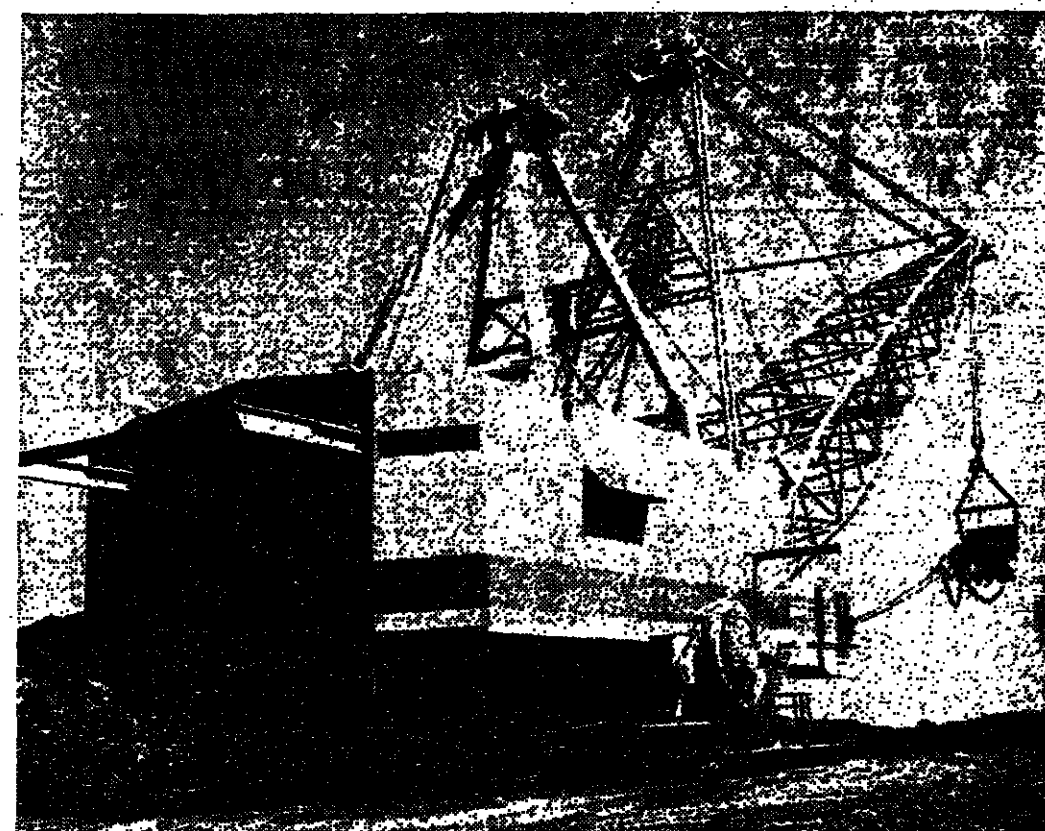
Generally, however, the prospects were looking better at the end of 1979 than they were at the beginning. With sales beyond that of mere replacement—linked inevitably to the prosperity of the mining industry, the manufacturers were able to watch the recovery of base metals prices, a greater stability in the iron ore industry, the working through of uranium expansion started in the mid-1970s and a new drive to work out the problems of the U.S. coal industry.

### U.S. to gain

If aspirations are translated into firm orders then it will be the U.S. which gains the main benefit. The influence of the U.S. in the opencast machinery market is pervasive, notwithstanding the activities of the German bucket wheel excavator manufacturers, the walking dragline sales of Ransomes and Rapier of Ipswich, the demand for drills from companies like Compair and Atlas Copco, and the huge diversity of the off-highway truck market.

This U.S. influence is illustrated at Anglo American Corporation's Kriel colliery in Transvaal. The overburden is drilled with Gardner-Denver drills. The overburden is prepared for the dragline by Caterpillar dozers. The walking draglines come from Bucyrus-Erie of Milwaukee. Once they have stripped the overburden, the coal is drilled by Ingersoll-Rand drills. The coal is loaded by Harnischfeger shovels, under the P and H marque, and transferred into Caterpillar coal haulers.

The biggest piece of equipment at the colliery is the B-E dragline. One of the reasons it was chosen for use was the fact that about 70 per cent of its parts were made in South Africa. This is significant as an indication of the international



A Rapier W2000 walking dragline at work on an opencast coal site in Pennsylvania. The machine has a 245 ft boom and a bucket capacity of 44 cubic yards.

quality of the major manufacturers.

They are prepared not only to export but to have their machinery made either by subsidiaries or under licence. B-E considers the merits of local manufacture on a country-by-country basis depending on the possible growth of the market. Marion, one of B-E's rivals, accepts the trend towards local manufacture but notes that while countries like South Africa and Australia have the capability to sustain such processes, this is not the case with under-developed countries.

For its part, Caterpillar has a string of international operations specialising for the most part in machinery of smaller scale than the huge draglines. Its European office in Geneva controls sales throughout Africa, for example to the diamond mines of Namibia (South West Africa), to the iron ore mines of Liberia and Mauritania, the copper mines of Zaire and the coal mines of Niger.

Against this background of international activity, competition among the machinery manufacturers is intense. B-E vies with Marion Power and Shovel, the Dresser Industries unit, for the large scale walking draglines, while Ransomes is finding a niche in the smaller end of the market in equipment with a capacity of up to 40 cubic yards and actually selling in the U.S. Page Engineering is also a competitor.

Among the drill manufacturers, Gardner-Denver and Ingersoll-Rand are joined by companies like Joy Manufacturing and Chicago Pneumatic Tool. In the large scale shovel market, Harnischfeger competes with B-E and Marion. For the large haulage trucks, over 150 tonnes, General Motors with the Terex marque sees its main competitors as Lestrade, Haulpak, Wabco and Euclid. The UK share of the opencast

market for heavy machinery is small but could grow. South

African mining executives have noted that Ransomes presently, after an absence of several years, has gingered up the market. Ransomes itself, encouraged by the sale of seven draglines to the U.S., two more on the way, and another machine to Jordan Phosphate for example, sees its re-emergence on the market as offering consumers a chance to break away from the old narrow range of suppliers. Certainly, given an upturn on the market, its output should be easily absorbed.

Spread over a wider range of machinery, Ruston-Bucyrus of Lincoln, half-owned by B-E and half-owned by GEC, is already firmly established. Generally, its manufacturing is complementary to that of its Milwaukee parent, with an emphasis on medium-sized equipment. Although autonomous in matters of design, and independent as far as UK sales are concerned, it is part of the B-E international sales network.

### Dependent

But, with the UK market too small to absorb more than a basic amount of machinery, both Ransomes and B-E are dependent in the long run on the international ebb and flow of orders.

This means they will be watching the situation in the world coal industry very closely. The key to that, as far as machinery sales are concerned, is the U.S. So far the renaissance, promised in the mid-1970s, has not fulfilled early hopes and over-capacity is rife. But Marion has noticed an upturn in the number of inquiries, starting in the 1979 second half.

If such inquiries are translated into orders, then the manufacturers could be working flat out by 1980-83. But the mining companies, looking at an investment of more than \$100m for a modest sized dragline, do not make the commitment

without themselves having firm sales contracts.

There is, said one executive, a fairly good correlation between the demand for draglines and the timing for utility expansion. The utilities, he estimated, have about a five year cycle for equipment-buying. If President Carter's emphasis in energy policy on the shift to coal is realised, then the utilities may be entering a buying phase.

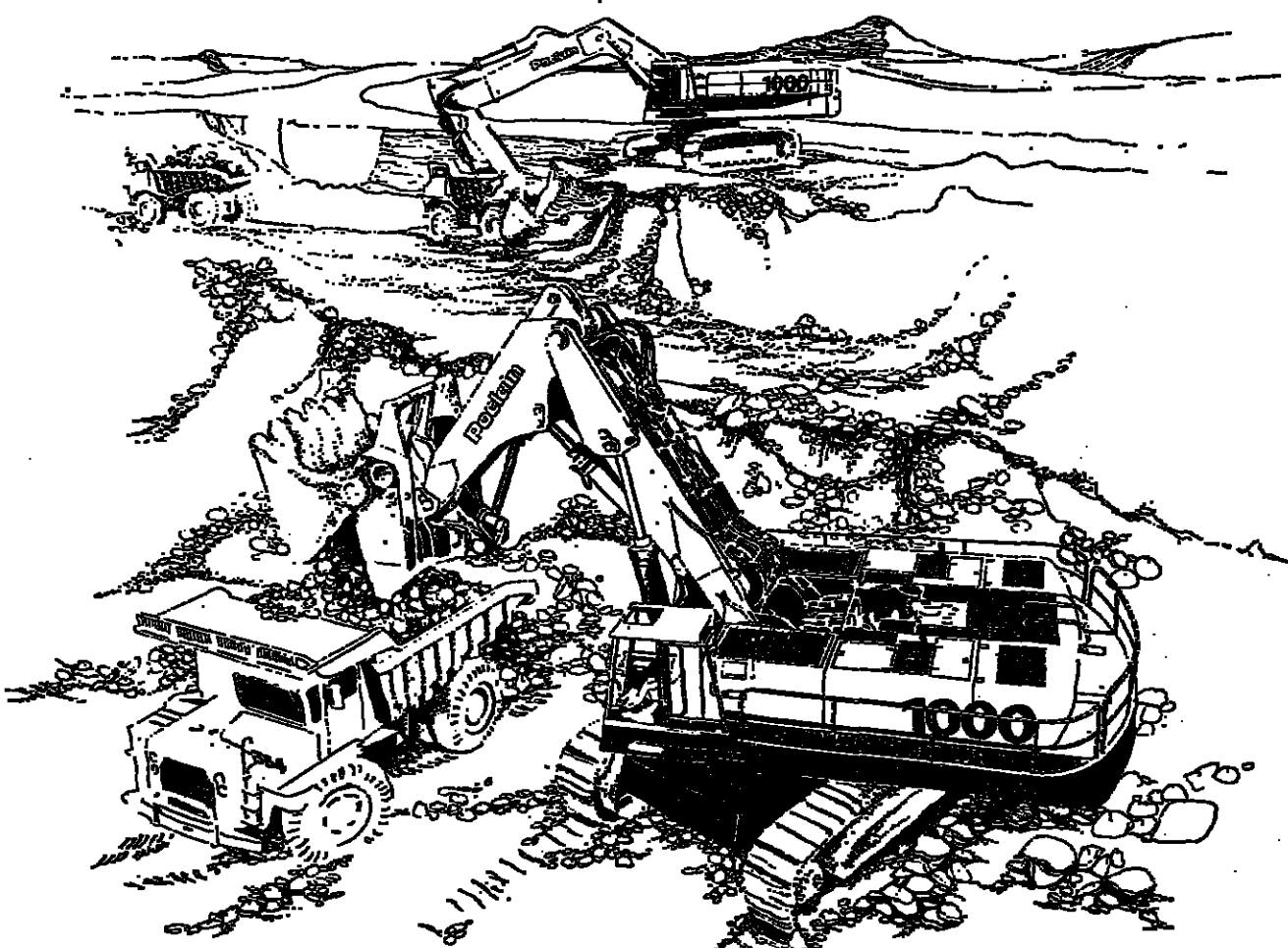
But there are two further factors. The first is that infrastructure to sustain a rapid as opposed to a steady increase in coal mine expansion often does not exist. Second, in the U.S. the passing into law in 1978 of the Surface Mining Act is creating extra demand for land reclamation machinery, a move which has helped groups like Caterpillar.

Within the coal industry itself some executives have detected a move to draglines away from shovel-and-truck operations to save on energy costs. On the other hand, makers of medium-sized equipment are arguing that their delivery times are shorter and that their products represent smaller capital outlays for the mines: this, they suggest, gives them a built-in advantage.

Overall, however, there is increasing emphasis on saving energy costs. The rise in oil charges has made diesel fuel charges more expensive than tyres, mining companies have complained to manufacturers of the largest off-highway trucks. This problem spreads through both the energy and non-energy sides of the mineral industry. For the latter, machinery sales are geared to the movement of the industrialised economies. Thus, although the industry has survived the worst of the period of recessionary metal prices in 1975-78, immediate prospects are cloudy, brightened mainly by the thought of an upsurge later in the decade.

Paul Chesswright

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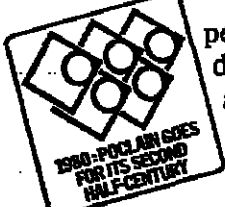
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## MINING EQUIPMENT III

## NCB helps the industry improve its products

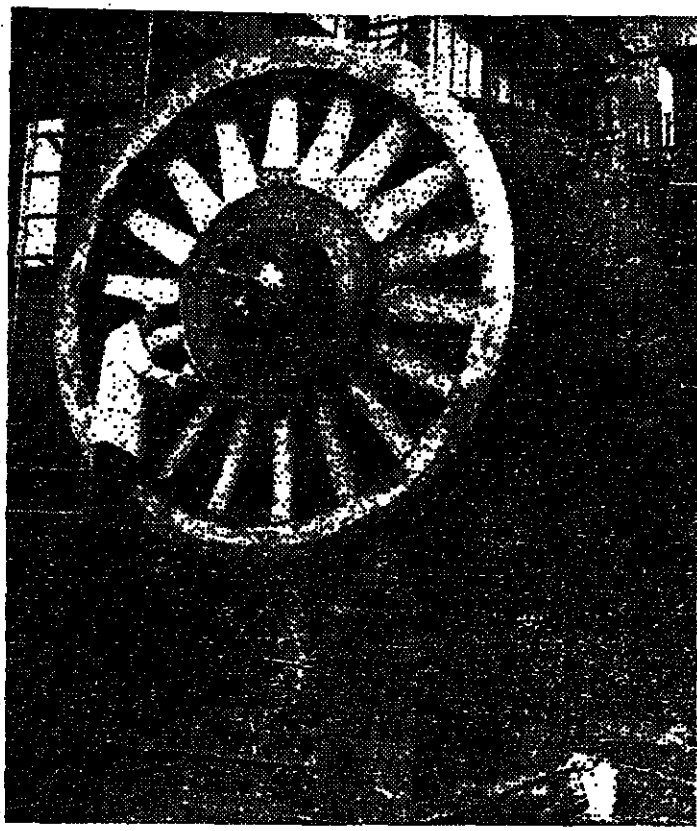
THE NATIONAL Coal Board (NCB) looms large in the life of Britain's mining machinery manufacturers and the two sides have long had a very close, almost symbiotic, relationship.

There are three major points of contact. The NCB, which spends over £400m a year on machinery equipment, is the manufacturers' main market; but it is also a close colleague in the field of research and development and helps in the hunt for international business. The intimate nature of the relationship is encapsulated in the existence of a steering committee, comprising senior NCB officials and their opposite numbers in private industry, which discusses the general drift of mining policy. Below this level there is a series of bilateral committees which aim to smooth relations between the two sides on such matters as contract conditions.

Where it can the NCB prefers to award contracts by annual competitive tender. This is possible when it is buying from a range of standardised products, but mining machinery is rarely standardised and prices therefore tend to be set in negotiations with individual companies.

Before any new item of machinery can be put on the NCB "shopping list"—the list of products which the Board's 12 areas are allowed to order—it must first be tested by the NCB's Mining Research and Development Establishment (MRDE), whose headquarters are at Bretby, near Burton-on-Trent. According to the MRDE's annual report for 1978-79, about 25 per cent of items tested during the year proved to be unacceptable. Generally, small modifications were sufficient to correct the faults but in some cases major redesign work was required.

The main thrust of MRDE's work, however, is in the field of research and development, often in close co-operation with the



An aerial flow mine ventilation fan with automatic variable pitch control, on order for the NCB's Selby complex, being erected for a works performance test in the Glasgow factory of James Howden and Co.

mining machinery industry. The increasing application of computer technology to mining has meanwhile taken MRDE into collaboration and consultation with companies outside the traditional world of mining technology.

According to Mr. P. G. Tregelles, the director of MRDE, writing in the establishment's annual report, the "critical central problem" now in the mining industry is ensuring reliable operation of the present longwall mining

system. Areas where reliability and efficiency can be improved include the automation of the coal winning system, technology for more rapid tunnelling and for more rapid transport systems to ferry miners between coalface and shaft.

The MRDE also has a useful role to play in the export field. Manufacturers say the fact that their equipment has been tried, tested and approved by this internationally respected establishment is a valuable export aid.

However, a more formal export link exists between industry and the NCB. This is British Coal International (BCI), set up some two years ago by the Coal Board. NCB provides its administrative services and 90 per cent of the funds to cover its running costs.

BCI acts as a focal point for inquiries about the British coal industry from abroad and promotes the interests of the industry through overseas advertising and some exhibitions (though most of these in the machinery sector are mounted by the Association of British Mining Equipment Companies). BCI also collects and disseminates information about developments worldwide in the coal industry, but this service is probably more useful to the smaller British companies than to the giants in the game, with their own fully fledged export departments.

The unravelling of the NCB's "Plan for Coal" in the wake of the 1973/74 oil crisis meant a turning point in the fortunes of the British coal mining industry, which was once more set on an expansionary path after more than a decade of contraction. That expansion seems bound to continue apace as the world struggles with the problem of diminishing oil reserves. Apart from a major programme to improve existing mines, the NCB is planning to produce 10m tonnes a year from the new pits now being built in Yorkshire's Selby coalfield. Planning consent is also being sought for the development of new collieries at Park in Staffordshire, and in northeast Leicestershire's Vale of Belvoir.

With imports accounting for only 2.3 per cent of the NCB's mining machinery purchases such developments must spell a bright outlook for Britain's manufacturers.

Martin Dickson

## W. Germany a keen exporter

THE DEVELOPMENT of the German mining equipment industry has been determined largely by the importance of coal mining to the economies of West Germany and countries in Eastern Europe. Much of the equipment which is used in coal mining, however, can also be used to extract other minerals, and both Germany and the UK supply equipment to markets worldwide.

A major difference between the UK and West Germany in coal mining is that lignite (brown coal) accounts for more than half the coal produced in West Germany. The German industry is naturally more heavily dependent on lignite, therefore, in the production of surface mining equipment.

A higher proportion of German output goes for export than from Britain. In 1978, for instance, about one-third was exported from Germany, and less than 10 per cent from Britain. The level of exports in both countries is determined very much by the amount of orders placed from the home market.

Comparison of the size of the two industries is complicated by the fact that German figures

(from the German industry association VDMA) include equipment which is excluded in the statistics on mining equipment from the Department of Industry. Sales of German equipment in 1978, including spares, totalled DM 2,820m (£703.2m).

Exports amounted to DM 829m (£206.7m) the biggest export market being the Soviet Union (DM 156m), followed by the U.S. (DM 104m), Poland (DM 53m) and China (DM 46m). The China total will have been very much higher last year following the orders received by Germany for equipping six shaft mines and two opencast mines in China. The export figures emphasise the importance of Eastern Europe and the Soviet Union to West Germany. Geographical proximity and similarity of mine structures make these markets a natural extension to the home market for West German manufacturers.

Companies which were involved in the recent China order included Krupp, Orenstein and Koppel, Mannesmann Demag, Thyssen, GHH Sterkrade, and the Wolf group. In late 1978 when the Chinese placed the orders the German industry

had surplus capacity. The British say that if they had had sufficient capacity at the time, they also would have been eligible for more orders from China.

Krupp Industrie und Stahlbau (part of the Krupp group) is a major company in the area of complete packages. It can offer exploration, planning and feasibility studies, design and construction of mining systems, and a range of mineral processing plants. Other parts of the group also make drilling equipment.

## Several types

Like Krupp, Mannesmann owns steel works as well as engineering companies. The Demag subsidiary makes several types of equipment for the mining industry, including heading and tunnel boring machines, shaft winding equipment and open-cast equipment including hydraulic cranes and excavators.

Orenstein and Koppel is a major supplier of hydraulic excavators both of mining and construction purposes, mining shovels, and bucket wheel excavators.

GHH Sterkrade provides a range of equipment for moving materials, as well as supports. It shares of the China order included shaft hoists and load-haul dump equipment—the latter for copper mines. Thyssen supplies supports, both self-advancing and conventional, roadway supports, and heading machines.

Klöckner-Becorit, which was formed three years ago by the merger of two factories in the Ruhr area, is one of the biggest German manufacturers of roof supports. It also produces chain conveyors, coal ploughs and other mining equipment. Other important suppliers of roof supports include Henschel and Westfalia Lünen, which can also supply complete longwall coal face systems.

Eickhoff is a leading producer of shearer loaders, and in the field of bulk handling systems. KHD Humboldt-Wedag (part of the KHD group which is also a major supplier of diesel engines for mine workings) is important along with Aumund-Förderer, Wolf, Krupp, Demag, MAN, O&K, Pohl-Hackel-Bleicher, Salzgeber, Weserhütte, Lünen, and Zur Nieden.

H.D.

## Mine safety a major headache

MINING, WITH construction, has for long held the unwanted rank of the industry most prone to accidents, despite the far-reaching efforts of both management and unions to alter the fact.

The tragedies at Bentley Colliery, near Doncaster, in November 1978 and at Golbourne, Greater Manchester, in March last year, point out, as Mr. Joe Gormley, president of the National Union of Mine-workers, put it, "the true price of the cost of production of coal."

Seven miners died and three were seriously injured at Bentley when an underground train ran out of control down an incline and was derailed. At Golbourne Colliery, three men were killed in an underground explosion, and seven died in hospital from their injuries.

Miners tend to make headlines at the time of their annual wage claim and when Government earnings surveys find them at the top of the pay league. Despite the formidable array of health and safety regulations which are laid down for the industry through a more accurate reflection of the day-to-day work in the mine comes through the Safety Executive's annual reports on mining.

The latest report published at both the Bentley and Golbourne tragedies but taking account only of the former, records the "more disturbing feature" of a considerable increase in fatal accidents. The

number of deaths in coal mining rose by more than half, from 40 in 1977 to 63 in 1978, and the number of serious injuries rose slightly from 494 to 501.

The HSE points to the need for technological improvements to temporary supports designed to be used at the coal face, to shore up newly exposed roof and sides.

It says the largest single area where fatal accidents are caused is in the heavily-mechanised area of underground transport, which accounts for 40 per cent of all underground accidents and 34 per cent of all reportable accidents at coal mines.

The HSE is very concerned at the number of deaths connected with the underground transport of men, materials and coal. Eighteen miners died in transport accidents in 1977. The following year the number rose to 29, or 63 per cent of all underground accidents. The executive said in its report that transport systems should be subjected to "critical" examination.

The increasing application, too, of more sophisticated coal-face techniques has led to an increase in the amount of equipment required at the face; the HSE noted, though, that the "same antiquated transport systems" were expected to cope and called for the provision of safer and more efficient transport systems.

The percentage of accidents attributed to unsuitable systems fell, though, from 32.63 to 23.6

in 1978, while the HSE took the fact that the causes of lack of discipline, bad operator practice and illegal man-riding had all increased as "a fairly clear indication" that either miners were less concerned with their personal safety, which would, though the executive does not say so, seem improbable, or that they had not received adequate training.

Indeed, the official report on the Bentley colliery disaster picked out the inadequate training of the driver and conductor of the runaway train as one of the causes of the accident. Failure to follow recognised procedures and lack of discipline of men and officials were also cited as factors.

The report, though, made particular reference to equipment used to increase safety. It recommended that the driver and conductor of an underground train should be able to speak directly to one another, that emergency brakes should operate automatically if the train goes too fast, that every locomotive should be fitted with a speedometer, and that energy absorbing arresters which retracted automatically at normal speed but which remained in position at speeds above normal should be developed.

The NUM has acknowledged that discipline has played some part in transport accidents, though it also sees as major contributors unsuitable vehicles and poorly maintained track

and roadways.

The NUM also points to the use of the chain conveyor in the pits, claiming that it was involved in two-thirds of haulage accidents underground despite the publicity and codes of practice which had drawn attention to its dangers. The number killed in using roadway conveyors fell in 1978 from four to three, though the number seriously injured rose from 23 to 29.

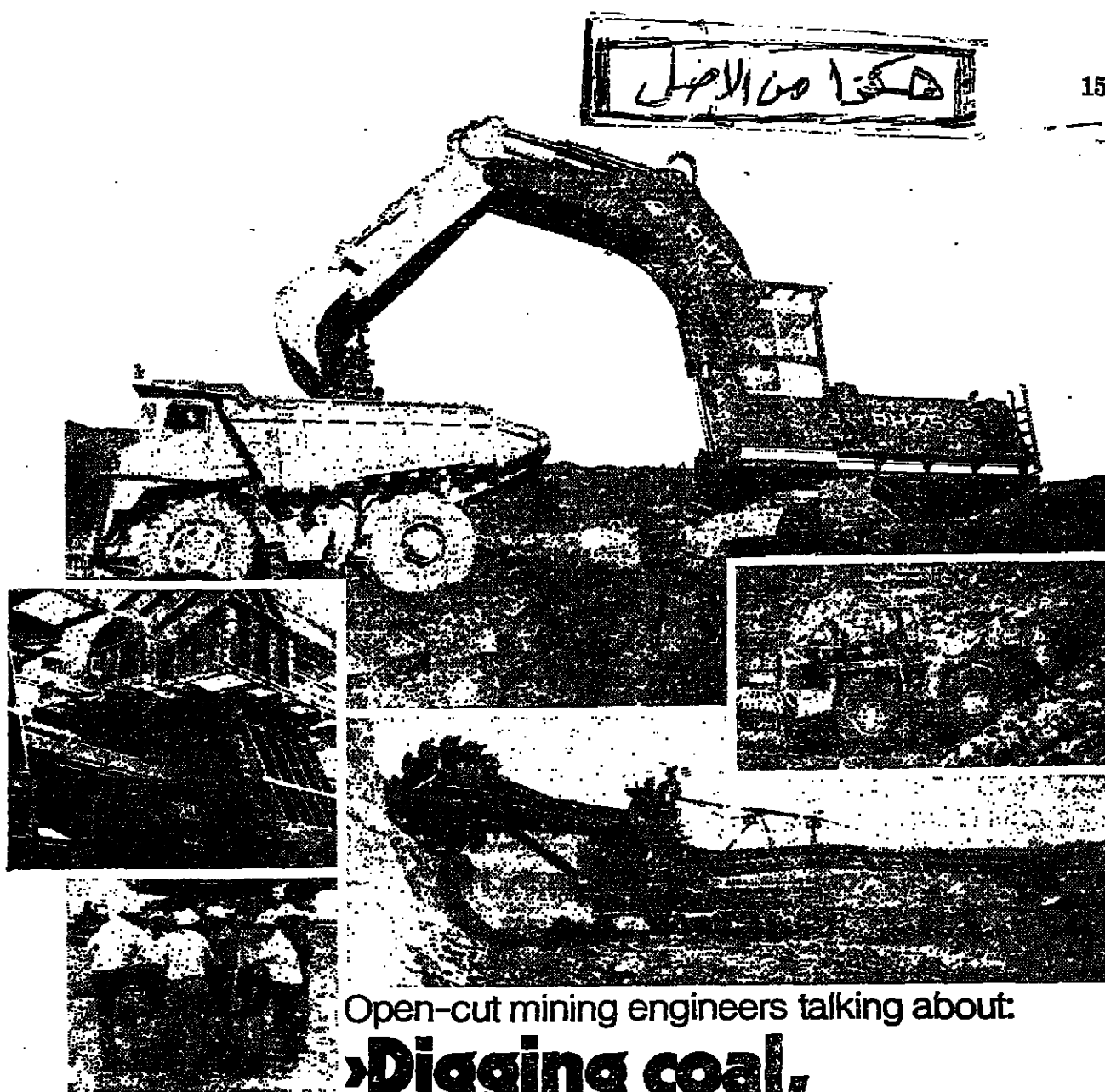
The HSE points out that a major cause is again indicated by eight accidents occurred as a result of miners working on belt conveyors without first immobilising them, and the executive calls for the provision and use of lock-outs, pre-start warning systems and improved communications to help prevent such accidents.

Accidents involving more general machinery, though, fell in the last recorded year to the lowest-ever level. Fatal accidents fell in 1978 from three to two, and serious accidents from 33 to 28. The overall trend over the past five years in this area is of falling rates of both fatal and serious accidents.

Some NUM officials, particularly Mr. Arthur Scargill, the Yorkshire area NUM president, have warned that the National Coal Board's productivity incentive scheme would lead to an increase in accidents.

The NCB has always denied such claims, and the HSE supports that view.

Philip Bassett



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## MINING EQUIPMENT IV

# Machines push back nature's frontiers

COAL IS won as easily as nature will allow. The history of mining techniques in all the major coal mining countries is generally one of increasingly complex and capital intensive techniques evolving to cope with increasingly difficult natural circumstances.

Where outcrops of coal occur on or just under the surface, it can be got by pick and shovel: the modern, mass production equivalent is opencast. Where shallow shafts have to be sunk to exploit the reserves, the method which naturally evolved was known as pillar and stall (or room and pillar). As reserves at shallow levels are worked out, and as mine-workers go deeper to win the coal, the longwall technique is used.

These are the three major techniques available to mining companies (though there are significant variations within each technique), and that is likely to remain the case until researches into underground gasification or liquefaction of coal bear fruit — likely to be in some decades' time.

Opencast mining is dealt with at greater length elsewhere in this survey, so this review will confine itself to an outline of the process of coal getting itself.

Opencast mining can be quite deep — 200 yards or more below the surface, if the seam is rich enough. Most opencast sites are worked to depths of at least 200 feet. The seam of coal is exposed by removing the "overburden" or earth and rock above the seam which is stacked elsewhere on the site, for later replacement. The seam itself is then dug out.

There are several ways of removing both overburden and coal. The simplest is with a mechanical shovel, of the same general kind as used in civil engineering: the shovel simply loads burden or coal into a truck.

For deeper working, however, the distinctive "walking dragline" is employed.

A third method—the bucket wheel excavator, which is a set of toothed buckets on a powered vertical wheel—is used in countries where the burden and coal are soft (as for example, lignite mines).

The techniques of opencast working, especially in the UK and West Germany, have been much affected by environmental legislation which has required contractors to ensure that the site is left in a fit state for subsequent farming. This means scraping off the overburden in layers and replacing it in the same order, so that the soil structure is not overly disturbed.

Room and pillar techniques in deep mining produce, as the name suggests, the underground effect of cubicles supported by pillars of coal. Since the pillars

support the roof—the coal being worked away between them—no roof-supporting machinery is needed. However, more coal is left in the ground, and more cutting and transportation machinery is needed. The technique is still practised in those countries—like the U.S.—where many workings are still comparatively shallow and where the coal reserves are large.

However, longwall techniques are generally in use in those fields—like the fields of the UK and Germany—where the workings are deep. In the longwall system, a long strip of the seam—from 150-300 yards—is

## Rising status of engineers

MINING ENGINEERS are seeing a rise in their status. In November, the prestigious Alfred Krupp prize for energy research, worth DM 500,000 (£130,000) was split equally between five mining equipment pioneers: Moritz Rauber, Wulf Roessler and Heiner Weber of West Germany, and Forest Anderson and James Anderson of the UK.

Mr. Berthold Beitz, chairman of the Krupp Foundation, told those gathered to see the awards presented that European mining had led the field in the development of mechanised faces. "The coal mining industry, after having been neglected, has once again become an indispensable pillar of our energy supply," he said.

opened up, and a power loader is laid against it, traversing the face, cutting the coal as it does so. In softer seams, the loader is a plough; in harder coal, a rotating drum is fitted with picks. As it is cut by the loader, it falls on to a moving track passing in the reverse direction from the drum—it carries the coal to one end of the face, there it passes on to a second track which carries it away from the coal face.

In longwall mining, the face may either advance, taking the roadways with it; or, as illustrated, the roadways are driven to a limit first, then the face retreats, leaving the coal to collapse behind the workings. In either system, the working area before the face is supported by hydraulic power supports, which are self-advancing.

The modern longwall face, then, is a highly automated production facility, with belt transports, shearers, railways and, powered supports packed into hot, narrow areas, producing immense noise and dust (which is damped down by water jets). The task of a face-

worker on such a face is more akin to production engineering than to the heavy labouring job mining was as recently as 30 years ago: radio controlled pit props, and a new generation of shielded power supports, have continued the trend. Productivity, which had been stagnant or falling in UK pits for some years, is now improving again, in part because of a rising number of faces equipped with advanced longwall machinery.

Because of their lead in pioneering longwall techniques, equipment manufacturers in the UK and Germany have been able to benefit from the growing popularity of the system elsewhere in the world. For, as reserves get deeper, and as energy becomes more precious, longwall faces present the benefits of greater safety and a greater yield of coal. The number of longwall faces in U.S. deep mines is steadily rising as a percentage, while new mines in China, India and Australia now often opt for longwall.

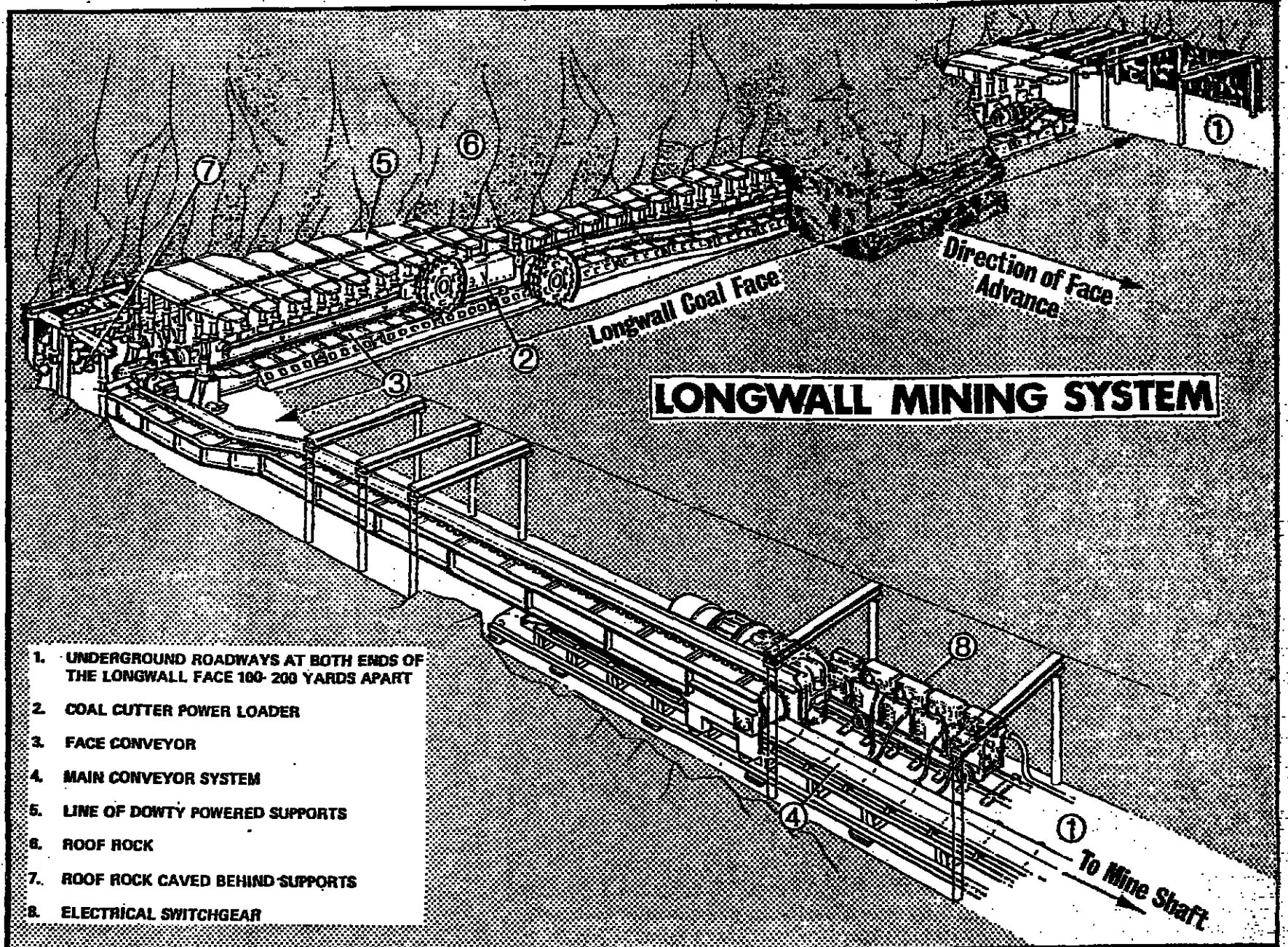
The shift to this system has also benefited the National Coal Board, which operates a consultancy service, and has resulted in a strong outflow of UK mining expertise. Though far from fully automated, an advanced longwall face is likely to represent the highest "state of the art" in exploitation techniques until the technology takes a jump into gasification and liquefaction techniques.

The difficulties in proceeding further are formidable. The complete automation of such relatively simple functions as welding or painting in a car plant are still not surmounted in practice: the difficulties of completely automating a face so that it could be controlled from a panel at the pit bottom, or even the surface, are much larger because the environment is more dangerous, unpredictable and liable to sudden change.

However, in situ gasification or liquefaction is thought to yield more possibilities for the future. The techniques now developed in the UK, Germany, the U.S. and elsewhere for oil and gas from coal are nearing the point where the first relatively large-scale experimental plants are being planned. Once the technology is well known, it may be possible to site the plants themselves underground.

The likelihood of the problems in the way of such development being overcome depends largely on the need for coal, especially as an oil/gas substitute. On present predictions, that is expected to be high. It is thus likely that continuing high levels of financing will go into research into advanced techniques, and that some will be developed successfully.

John Lloyd



European manufacturers have the edge in longwall technology, the most advanced mining system available, but American companies are striving to catch up

# Britain well placed for exports drive

THE RAPIDLY growing importance of coal in the world's energy balance should ensure a bright export outlook for Britain's mining machinery manufacturers—provided they can meet the challenge posed by the strong foreign competition.

As pioneers in the new high technology of longwall underground mining, British companies should be well placed to take advantage of the great expansion in the world coal-mining industry which is bound to accompany the gradual depletion of global oil reserves.

The competition is extremely tough, however, particularly from West Germany, and there can be no room for complacency in the UK. The evidence suggests that there is room for improvement in Britain's export performance.

This point is underscored by a report published today by the National Economic Development Council from its mining machinery sector working party. This says that the last few years have generally been times of low world demand for mining machinery, a situation reflected in the sector's export figures. It adds that there have been some bright features, such as longwall developments in the U.S., but then states: "British mining machinery companies did not gain the amount of business that their position among the world leaders in this field might have suggested."

British exports of mining equipment (which is a broader definition than the Department of Industry's figures quoted elsewhere in this survey) amounted to £91.4m in 1978. The U.S. was the largest purchaser, accounting for £11.7m, followed by Canada (£8m), South Africa (£5.5m) and Australia (£4.1m). Total exports in 1979 are believed to have reached £130m—a boost resulting largely from orders from China placed in 1978 and worth some £100m.

As these figures suggest, the U.S. and China are regarded as the most hopeful growth markets, with South Africa and India also figuring prominently. But none of the markets is without problems. In the U.S., for example, the Carter energy programme has already made clear that there is an extremely bright future for coal in the long term. But in the short term the industry is hedged about with difficulties. Environmental regulations have helped produce a slower-than-expected growth in demand and coal companies at present have an excess production capacity of 100m tonnes or more.

So although there seems certain to be a significant growth in longwall mining in the U.S., the expansion could proceed more slowly than British exporters would like. As it is, West German manufacturers have penetrated the U.S. market to a significantly greater extent than their British rivals; they are similarly ahead in China, which is currently producing more than 600m tonnes of hard coal, only a third of it from fully mechanised operations.

The Chinese Government has singled out coal mining as a priority sector and embarked on a major modernisation and expansion of the industry. It is concentrating on eight major centres, mainly in the north and north-east of the country.

Late last year a trade mission from the National Coal Board (NCB) visited one of these areas. Dating from the Chinese are planning a £500m

greenfield mining development. One potential hurdle in the way of further exports to China is the country's shortage of finance and consequent enthusiasm for counter-trading coal and machinery. This particularly favours Japan, which needs large imports of coal, but is an unwelcome development for British manufacturers.

Coal has become a mainstay of industrial growth for India, which is aiming to produce some 200m tonnes by the end of the decade, nearly doubling its output. The market here will tend to be for intermediate technology, although longwall mining with self-advancing supports seems likely to be introduced in some cases to provide a planning basis for the 1990s.

## Gradual increase

South Africa is also expected to double its output by the 1990s from the 90m tonnes it produced in 1978. At the moment, longwall mining is practised at just three South African pits, accounting for 2 per cent of 1978 sales, but is expected to increase gradually, mostly at new collieries.

How well is the British industry equipped to cope with this huge potential market? The past few years have seen a restructuring of its organisations to cope with the export challenge.

British Coal International (BCI) was set up by the NCB two years ago to co-ordinate public and private sector activity across the field of mining exports, including equip-

ment. It acts as a focal point for inquiries by Government departments and external agencies.

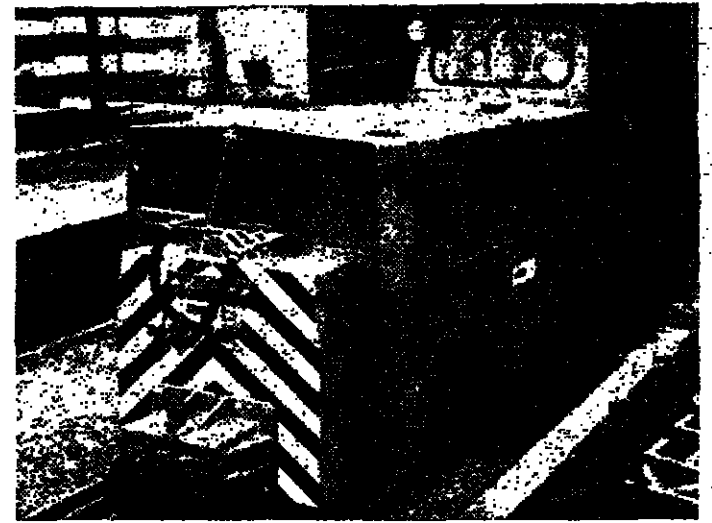
Working in conjunction with BCI is the Association of British Mining Equipment Companies (ABMEC), which was formed in 1978 through a merger between the Council of Underground Machinery Manufacturers, which was concerned with the domestic market, and the Association of British Mining Equipment Exporters. Behind the merger lay a belief that exports and the British home market could not be treated in isolation.

ABMEC organises both inward and outward trade missions—it has mounted two to China in the past year and one to Hungary and Romania. It also holds technical seminars and disseminates information on overseas markets.

Although the interests of the largest UK companies and the many smaller ones which make up a large part of the sector do not always coincide, the changing nature of the world market seems likely to demand greater co-operation between manufacturers.

This is already happening on a significant scale, with smaller companies being given a lift on the backs of the large British makers with wide international contacts which head consortia.

However, the West Germans have a particularly good reputation when it comes to assembling major consortia packages—especially where green-field sites are being developed. And



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British manufacturers sometimes grumble—as do their colleagues across the industrial spectrum—that the Germans are able to offer better credit facilities.

Whatever the reason, the Germans at present do have a distinct edge over their British rivals, which must be cause for concern amid the generally rosy outlook.

The export potential for British manufacturers, as well as the dangers, was well

summed up by the sector working party when it concluded that "the prospects for mining machinery sales are good. The British mining machinery sector has the products and technical expertise to achieve a dominant position in world markets, although the Federal Republic of Germany companies pose strong competition and appear to work well together in pursuit of large contracts."

Martin Dickson

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## THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

David Churchill talks to Gordon Borrie, whose influence on industrial competition will soon increase by leaps and bounds

## The man who has to put the 'fair' into trading

THE title of the most powerful man in British business arguably does not rest with either of the Secretaries of State for Trade or Industry, nor with the director-general of the Confederation of British Industry.

Instead the honour (if that is the word) of being the man with most day-to-day influence over industry and commerce rests firmly on the shoulders of the Director General of Fair Trading, the top job in the Office of Fair Trading.

The present incumbent is 48-year-old Gordon Borrie (this predecessor, Sir John Methven, is now boss of the CBI) who, earlier this week, was given further powers to control misleading advertisements, but his real influence will increase by leaps and bounds next month when the Competition Bill finally becomes law.

That legislation will invest in the Director General of Fair Trading the almost total freedom to investigate any "anti-competitive" practice pursued by an individual company which he thinks may act to prevent or distort competition between companies. Since there is no precise definition in the legislation of what an anti-competitive practice actually entails, Mr. Borrie has almost unlimited scope to investigate companies in every sector of industry.

But these powers, while far-reaching on any reckoning, will only serve to complement the extensive powers already in the hands of the Director General of Fair Trading. In most cases, in fact, the legislation specifically grants the power to the

Director General rather than to the Office as a whole.

These powers include:

- Granting licences to the 88,000 or so traders and companies that give credit to consumers. Some 32 cases have so far been refused a licence by Mr. Borrie.

- Referring restrictive trade practices, such as in the cement and road-surfacing industries, to the Restrictive Trade Practices Court for a decision on their legality.

- Determining whether large company mergers should be allowed to proceed, or whether they should be referred to the Monopolies and Mergers Commission.

- Referring monopolies to the Commission to decide whether or not they are in the public interest.
- Enforcing the terms of the resale price laws, which outlaw attempts by manufacturers to control the selling price of their products.

- Demanding guarantees — enforceable by law under the Fair Trading Act — of better behaviour by rogue traders.

Whether these old and new powers mean that the Director General is now too powerful, Mr. Borrie feels he is not in a position to determine objectively. He points out, however, that all his powers have been conferred by three separate administrations and confirmed by Parliament.

But critics also suggest that while there is no doubt about Mr. Borrie's own impartiality as director-general, a future government may appoint a director-general whose fairness

was more open to question. Mr. Borrie is well aware of this argument, but suggests that this may overlook the checks on his powers built into the system.

Traders refused a consumer credit licence, for example, can appeal to the Secretary of State or to the civil courts over a point of law. His merger powers are only recommendations to the Secretary of State and, while usually accepted, they are sometimes refused. Late last year, for example, Mr. Borrie's recommendation that Thorn's bid for EMI should be referred to the Monopolies and Mergers Commission was rejected by John Nott, Trade Secretary.

In other areas, Mr. Borrie points out that his powers are only used to present a case to the Restrictive Trade Practices Court or to the Monopolies Commission for them to decide.

Unlike the much-hated Price Commission — which acted in some respects as prosecutor, judge, and jury — in many areas the Director General's role is only as prosecutor. Mr. Borrie is annoyed, therefore, when it is suggested that he was politically motivated in referring the Stock Exchange's rules to the restrictive trade practices court. He points out that it was his duty under the legislation to refer such restrictive rules to the court to decide if it is in the public interest.

Given the comprehensive powers available to the Director General — in spite of the checks on their abuse — it is surprising that when the position became vacant in June



Gordon Borrie: remembered for saving Match of the Day

1976, it was one of the few Government posts at this level to be publicly advertised. The idea was that of Mrs. Shirley Williams, then Prices Secretary, who hoped — unsuccessfully — that it would be followed by the advertising of similar Government jobs.

Thus in 1976 Mr. Borrie — who at that time was safely ensconced as Professor of Law at Birmingham University — applied to become Director

General. The job specification was fairly broad, so as to attract candidates from all areas. Mr. Borrie's qualifications (apart from standing twice in the 1950s as a Labour Parliamentary candidate) had been accumulated over a decade and a half of experience in the field of commercial law.

He found the impact of business on the consumer a fascinating and fruitful area for study and teaching. He particularly found the 1962 Moloney report

on consumer protection of great interest and subsequently, along with Aubrey Diamond, wrote one of the standard texts on consumer law, "The Consumer, Society, and the Law." Inevitably, as consumer protection legislation developed in the 1960s and early 1970s, Mr. Borrie's career was steered even further in this direction — helped by his reputation as an articulate conference and seminar speaker on the subject.

His decision to apply for the director-general's job was a logical extension for him of his involvement in consumer law. He knew of the Office's activities from the inside through his membership of the Consumer Protection Advisory Committee, set up to advise the Government on consumer legislation.

However, once he got the job as director-general he found that it was in the process of changing away from the consumer watchdog role established by Sir John Methven. Sir John, already well-known in the business world, was able to champion the consumer's cause without causing industry to feel that he was in any way being anti-business.

Mr. Borrie, on the other hand, not only came from outside business life but he also found that he was forced to devote more of his time, and the Office's resources, to competition policy (although consumer affairs still played an important role). The shift towards competition policy, however, reflected the extension of the restrictive practices legislation in 1976 to include services as well as goods, and the growth in large-company

merger activity in the late 1970s.

His philosophy decrees that whatever the colour of the Government, there will always be a need for some sort of competition policy to "oil the wheels" of the market economy. Without a competition policy, he is in no doubt that industry would revert to a very uncompetitive structure.

How far this policy should be interventionist depends on the Government of the day and the extent to which competition is lacking in the economy, as measured by such factors as industrial concentration or an imbalance between manufacturers and customers. The fluctuating level of competition, and the developing state of the economy, is ample justification, he feels, for regular reviews of competition policy.

Although Mr. Borrie has had to face some suspicion and hostility from companies over the extension of competition policy, he has consequently worked hard at building up a good relationship with business, holding informal talks with companies and being prepared to talk at their conferences throughout the UK.

His willingness to allay the fears of the business world has not surprisingly — and perhaps unfairly — led to some veiled mutterings from the consumer camp that he has become too close to industry.

With the new powers under the Competition Bill shortly to come into force, Mr. Borrie and his senior colleagues intend to go "on the stump" around the country explaining the "positive aspects" of the new legis-

lation. "Essentially, the message we want to get across is that we plan to use all our powers to promote competition and that it is in the best interests of efficient companies to support us," he says.

Mr. Borrie plans to point out the examples of where his office can help, such as when a price-fixing ring keeps prices artificially high or manufacturers refuse to supply certain retailers. To make competition policy work, Mr. Borrie will say, needs companies to be prepared to give information on possible anti-competitive practices.

Mr. Borrie acknowledges that there will be some stigma attached to companies singled out for investigation. But he hopes to reassure such companies that they will have ample informal contact with the Office well before any investigation is launched.

When the history of the OFT comes to be written Mr. Borrie is unsure as to how he would like his contribution to be measured. He still has 18 months of his present contract to run and would probably be willing to serve another five years. He thinks that rather than being remembered for any one act, he would like posterity to appreciate that he and the Office "adopted a fair-minded approach and acted sensibly after due consideration of both points of view."

But he suggests that the Office's action in preventing ITV gaining exclusive rights to television football will mean "that I will probably be best remembered as the man who saved 'Match of the Day'!"

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IS IT fair for manufacturers to ask for the highest price they can get? Or should they not charge the affluent French more than the poorer British consumer can afford to pay?

The European Court has already decided that a powerful supplier must not take advantage of different price levels.

But what if the supplier is not dominant in that market? In that case, it seems, there is nothing to prevent him charging a higher price in France than in the UK; what he must not do is to prevent his UK dealers from shipping to France the goods which they can sell there at a handsome profit.

It is anathema to the EEC Commission that such exports should be hindered, since it clings to the illusion that the Common Market is really a common market, and shuts its eyes to the fact that consumer prices, as well as incomes, differ greatly from one member country to another.

These issues greatly worried Robert Todd, managing director of Shiro (UK), when the lapsing of an EEC regulation in 1975 reopened the internal frontiers of the EEC to the movement of Japanese audio products. Shiro — later renamed Pioneer Hi-Fi Electronics (GB) — was the sole UK distributor of Pioneer's electronic goods, one of the world's largest makers of hi-fi equipment, and Mr. Todd feared that his Japanese principals would not be pleased if he allowed the Pioneer products to seep through the reopened frontier to France where their sole distributor, Musique Diffusion

Francaise (MDF), sold the same products at prices higher by between 50 and 80 per cent.

When MDF complained that retailers in France were getting cheaper goods from the UK, Todd at first denied that his UK customers would do such a thing. But when MDF placed test orders with Lasky, Emery and Cornet, Todd's retail outlets, and obtained from them the Pioneer products, "the ground was cut from under me," he said.

He decided to bring his customers in order. In an effort to urge them not to sell Pioneer products for re-export to France, Todd wrote to one of them, Audiomatic, on January 28, 1976: "I am well aware of EEC rules regarding parallel imports but nevertheless find it distressing that although we have worked together closely for many years you, albeit not alone, have caused my principals to look on me with a certain amount of disfavour. As a distributor yourself of a well-known Japanese product I am sure you can appreciate the solution would probably be for me to put up my prices for the French distributor to bring his prices down."

"Unfortunately, economic conditions sometimes prevent applying the obvious."

In a similar letter sent on the following day to the Chairman of Cornet he said: "I am well aware of EEC rules regarding parallel imports but quite frankly at times I am more concerned with justice than the law itself."

These letters proved to be very costly. The EEC Commission is out to punish infringements of EEC rules of competi-

tion even if these are merely a result of negligence. Here was a clear confession of intentional hindering of the parallel imports. It imposed on Pioneer High Fidelity (GB) a fine of £185,000.

The fines imposed on other European subsidiaries of the Japanese company and on their independent distributors in France were even higher: the German company, which had a much larger share for a long time, was fined £230,000. The French distributor, MDF, which was primarily interested in keeping out the influx of cheaper goods from Germany and the UK, got away with a fine of £540,000.

The Commission admits that Pioneer's European headquarters, Pioneer Electronic Europe NV, in Antwerp, did not initiate the unlawful partitioning of the market. However, it placed on Pioneer the blame for the partitioning.

The fines totalled \$4,414,000 — the highest penalty imposed so far for the infringement of EEC rules of competition. The Commission came near this figure in 1973 when it fined 15 European sugar refineries and one power dealer a total of \$3.7m but the fines were later reduced by the European Court to £1,590,000.

The Commission can impose fines up to 10m units of account (about £850,000) or 10 per cent of the total turnover in the preceding business year, whichever is the greater.

In its decision the Commission quotes Mr. Advocate General Warner who said in one of his opinions "a fine of 10 per cent of turnover may be taken to be appropriate to an infringement of the gravest kind and of considerable duration."

The Pioneer Electronic Group comprising over 20 subsidiaries in various parts of the world, had a turnover of £1,100m in 1977. The published text does not reveal the turnover of the three European subsidiaries and of the French distributor but it seems probable that the fine has been calculated at a rate approaching 10 per cent of the turnover of the four enterprises.

Although the distributorship agreements made in writing are "clean" from the EEC point of view, the Commission concluded that there was an additional verbal "gentlemen's agreement" between the UK and the French distributors.

How did it come to light? As usual, the Commission was alerted by a "parallel" importer who had been refused supplies. In this case it was Mr. J. Hill, the owner of a large discount store in Metz, France. Together with others, he formed Connection, an organisation for bulk buying of hi-fi equipment. The majority of purchases were

made from exclusive distributors in France, but considerable numbers were "parallel" imports effected through Megserv, a sub-organisation established for this purpose. As a result, Pioneer products appeared on the French retail market with a discount of 26-31 per cent.

Heeding the complaints of the French distributor, the German distributor, the Pioneer company refused to execute an order placed by a German dealer, but intended to reach

the retail organisation of IFM in Metz through a chain stretching through Belgium to France. This action provided him with evidence which he passed on to the EEC Commission.

Another interesting aspect of this case is the role of the Japanese supplier. The prices charged to the three distributors in France, Germany and the UK were substantially the same. It seems that the Japanese company protected the French supplier, not for its own direct

financial benefit, but in order not to lose to a competing supplier, MDF, which was not tied to it by any written agreement. The distribution networks, of course, are crucial to successful business. The UK network, for example, includes the Comet Radiovision Services and the Audiomatic Group which together have some 180 retail outlets in addition to some 250 other dealers.

The importance of its distribution network made Pioneer adopt a policy of establishing wholly owned national marketing subsidiaries or joint ventures in Europe. When such a system is achieved it will be easier for the Japanese company to oppose French hostility to the importation of cheaper products from other member states of the Community.

In its European Judgment No 27/76 of 13th February 1978, the Commission decided that Pioneer Hi-Fi Equipment

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## THE ARTS

مكتبة

Covent Garden

## Month in the Country

by CLEMENT CRISP

On Monday Merie Park assumed the role of Natalya in *A Month in the Country* for the first time, bringing to the part exactly the maturity and elegance of manner that it needs. Women, rather than



Merie Park in 'Elite Synopsations'

girls, are too rare in the balletic repertoire, which puts a premium on dewy innocence rather than adult feelings. As with her superlative portrayal of Larisch in *Mayerling*, Park shows Natalya as a woman of

passionate temperament. *Month's* more domestic setting imposes certain stylistic restraints, and the clarity of Ashton's language refines emotion, but the role is resonant, challenging, and Park catches all its nuances.

Very indicative of her sensitivity was the way she presented the duet with Belyayev to the *andante spianato*. Ashton seems to fit the eddies of Natalya's feelings to the *fortissimo* of the piano writing, and Park was entirely at one with the curves of the dance as with the flourishes of the music. The tensions, the yielding to gusts of passion, were beautifully, precisely shown.

The entire casting, indeed, had the closest identification with Ashton's imaginative world: Mark Silver manages well the gauche charm of Belyayev; Wendy Ellis, new to me this season as Vera, understands the impulsiveness and nervous force of the girl, and dances with radiant brightness of means. And in Philip Gammon the Opera House gives us a fine pianist alert to both the bravura and the rhythmic colouring in Chopin's Polish airs.

Merie Park was also merrily involved in the closing *Elite Synopsations* (the programme having started with that dead choreographic duck, *Four Schumann Pieces*). Given by the company with welcome coolness, which allows the dance to make its jokes unembellished, the ballet continues to be great fun. Park and David Wall playing with glassy assurance, and Wendy Ellis and Michael Batchelor being particularly charming as the Innocents of *Golden Hours*.

Elizabeth Hall

## Madrigals of love and war

by MAX LOPPERT

The Monteverdi recital given on Monday by the Schütz Consort of London and the London Baroque Players offered a handsome selection from the *Madrigal* repertoire of Monteverdi's explorations, both in the concert hall and with Kent Opera, this was a "pioneering reconstruction" (the phrase is the conductor's own) of performing style of the composer's day.

The pioneering went beyond the now customary use of single voices to a part and a small ensemble of period instruments, to attempt solutions to questions of authentic vocal style—questions of vocal timbre (how much vocal vibrato? how much *voce bianca*, in the modern sense of the term?), vocal phrasing, and vocal-instrumental balance. The Consort (a group of familiar faces on the London professional circuit) and the

Players are not yet so "authentic" as to dispense with Mr. Norrington's baton or to depart from modern pitch—perhaps these are reserved for future pioneering?

It was an enthralling abundant concert. 1638 was the year of publication of Book 8: *Ulisse* and *Poppea* are only a step away. This datum was constantly in one's mind: for the effect of Mr. Norrington's concentrating and lightening of the vocal lines was to assert as seldom before the explicitly dramatic impact of Monteverdi's word-settings. The sense, in several of the madrigals, of a scene set and played out before our ears, as it were, was very strong; and this despite the fact that without the participation of Italian verbal (and therefore dramatic) authenticity must always be sacrificed. (The diction coach Ubaldo Gardini was credited in the programme, and rightly, for

the Italian words were far more forward than usual; even so, in such things as Neil Jenkins' solo *Entrata* in the *Ballo Volgendo il ciel*, the proper cut and thrust was felt to be missing.)

A matter of individual vocal quality also needs to be raised. Strong artistic personality is reckoned by the conductor to have been a vital part of the original vocal style, yet from the series through distorting spectacles or the wrong end of their binoculars have proved previously to be astute and level-headed observers of the world.

Thus Joan Bakewell, who has better reason than most to understand the way in which television series proceed, complained after just two episodes that they had not shown "what happens to a community so entirely devoid of women," that there had been no look at "the lonely

none the less. In the magnificent Petrarch setting, "Hor chel ciel e la terra," the eight voices combined with razor-sharp clarity—by such effects as when, in describing the "hushed wind," the homophony gives way to a single voice plaintively left sustaining a long A. We judge the pictorial expressivity of the music. Has music ever again been flexible so quietly, so new in its direction, as that of Monteverdi's old age? The "love" madrigals provide the richer opportunities to appreciate the pictorial subtleties. Even so, the *stile concitato* of the warlike moods was never allowed to become wearisome. For Mr. Norrington's comprehension of the dramatic concepts in and beneath the drumming, rhythmic figures and bellicose vocal imitations of "Altri canti di Marte" and the two-toned "Se vittoria si belle" removed all threat of the merely mechanical.

Museum of Mankind, Burlington Gardens, W.1.

## Art made for strangers

by CLIVE JORDAN

The Museum of Mankind's exhibition of Haida Indian art is a testimonial to one of the most successful tobacco promotions of all time. Europeans brought back tobacco from Eastern America, and subsequently traded it to a number of previously non-smoking American peoples, among them the Haida, a small coastal Indian group on Queen Charlotte Island (where Canadian British Columbia now meets American Alaska). From the first eighteenth-century contacts, the whites—Spanish, Russian, British and Yankee—sought only one thing from the Haida and their neighbours: the valuable fur pelt of the sea otter, which could be traded for tea and silks in China. By the

early 1800s, the Haida were avid consumers of Europe's metal tools and tobacco, but the sea otter had been trapped to virtual extinction. What else could the Europeans be offered?

What the Haida found was argillite, a soft, heavy black shale, mined in only one jealously-guarded tribal quarry, which they already used for making some of their own pipe bowls. The Indians had not failed to observe that those early explorers who escaped being eaten by the region's cannibals usually took some Indian object home with them. So the Haida, drawing on a rich tradition of carved totem-poles, masks and sleek ocean-going canoes, set about carving easily portable argillite souvenirs.

Ironically these included an immense variety of highly decorative pipes.

Some of the best have found their way to the Museum of Mankind, together with carved figures, plates and miniature totem poles. Almost none were carved for tribal use but all, even the smallest, possess a sculptural power. Westerners have easily appreciated. The Museum of Mankind exhibition valuably outlines a chronology of Haida souvenir carving in argillite, or "black jade," as it has sometimes been called. Totem poles, true family trees asserting a chief's descent from spiritually powerful clan emblems like the raven, bear or wolf, became popular subjects for argillite carving only to-

wards the end of the 19th century, when the magic of the real things had been weakened by missionary influence.

The Haida carved what they knew and saw, and were eager for fresh subjects. Later pipes and European-style plates depicted white men, their women and houses, and used motifs adapted from the rigging, figureheads and paddle-wheels of ships, the eagle from American coins and even the label from a sarsaparilla bottle.

These Haida argillite carvings reveal something of the Indians' own majestically sombre imagination, and also their vision of the intruder. North West Coast artists sometimes included Europeans on their house totem poles to make them look ridiculous, which may be the motive behind one carving on display. It portrays what appears to be the archetypal henpecked husband: a full-skirted Victorian woman clasps the waist of a half-size man holding a bulging bag. The sculpture can be seen as an Indian commentary on the weakness of the greedy European male and the unnatural dominance of his partner—typical of a souvenir art which took a long time to lose its punch.

Imperial Group to sponsor Covent Garden 'Hoffmann'

The Royal Opera House, Covent Garden has announced that its new production of Offenbach's *Les Contes d'Hoffmann* will be sponsored by Imperial Group. The production will be mounted in December 1980, to celebrate the Offenbach centenary.

An argillite bowl carved in the form of a grizzly bear or sea wolf, c. 1880-90

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Richard Denton's excellent documentary series *Public School* which reaches the halfway mark with its fifth programme on BBC2 tomorrow night is currently supplying us with a description of a particular sort of institution; a description which, in its detail and its methods, is closely akin to the series *Sailor and Hospital*. The similarity is not especially remarkable since Roger Mills, who is executive producer of this current series about Radley College, was in charge of the department which also made the earlier series about the Ark Royal and Bolton General Hospital.

What is remarkable is that whereas *Sailor and Hospital* (and to a smaller extent the police series *Hong Kong Beat*) attracted widespread admiration for the abilities of their film crews, the thoroughness with which the subjects were analysed, and the honest way in which the producers conveyed the reality of the institutions to the viewer, *Public School* despite being made in a strictly comparable fashion has attracted more hubbub from commentators and critics than any television series since Paul Watson's *The Family* in 1974.

That production was also a "fly on the wall" effort and, significantly, was also perceived by those whom it engaged as being concerned with a subject which could bring the idea of class distinctions into question. So too with reactions to *Public School*, and the most interesting aspect is that many of those who have reported on the series through distorting spectacles or the wrong end of their binoculars have proved previously to be astute and level-headed observers of the world.

Thus Joan Bakewell, who has better reason than most to understand the way in which television series proceed, complained after just two episodes that they had not shown "what happens to a community so entirely devoid of women," that there had been no look at "the lonely

boy, the failure and the unhappy" and "no hint of criticism or serious analysis within the school or without."

It would indeed have been odd and reprehensible if such a series had not dealt with the question of women but quite predictably a whole programme has since been devoted to the matter. Moreover the subject was covered so frankly—pin-ups may show breasts and bottoms but no more, after school dances couples do wander off to the rugby pitches and so on—that it will no doubt have given second thoughts to the parents of would-be pupils who are presumably watching avidly. It will be disappointing but astonishing too if Denton does not attend to the business of loneliness, failure and unhappiness before the series is out.

The intriguing question is why Joan Bakewell's reaction was so vigorous? And why did Philip Purser, one of our most consistently admirable critics, say in the *Sunday Telegraph* "We don't need public schools, but I suppose it is quite selfless of the rich to put their dimmies away so they won't hold back our children in the comprehensives?"

Why has documentary producer Philip Donnellan claimed in a letter to *The Listener* that the BBC is "broadcasting high quality film propaganda in favour of educational apartheid?" Does he mean BBC's *Grange Hill*? Certainly that drama series about life in a comprehensive school is very well made—some teachers swear it is an accurate portrayal—and it is quite enough to create "educational apartheid" by convincing any anxious viewers who can afford to that they should save their children from such vicious and uncivilised institutions at almost any cost. Yet I suspect Donnellan means *Public School*.

So why all the vituperation? The answer, surely, is that Denton's series has not reinforced the *idée reçue* accepted enthusiastically by so many among the middle-class intelligentsia—that public schools are in the business of producing lonely homosexual snobs—in the way they hoped it would.

On the contrary, *Public School* has shown that a lot of Radley boys are gregarious, vigorously heterosexual, politically aware, and often humorous—in fact quite unlike the image of the chinless wonder which is so assiduously fostered during those reductionist-egalitarian

## Playing it fair

by CHRIS DUNKLEY



Parent and teacher enjoying a joke on parents' day in a scene from 'Public School'

conversations about the awfulness of class distinction, which always occur at socially exclusive dinner parties peopled by doctors, architects and journalists.

So far the series has shown us the intake of new boys at the start of a year; the working habits of one of those teachers who patronise (and sometimes terrify) children with a mixture of pompous humour and insult; something of the life including the political and social attitudes of the headmaster; and last week's amazingly frank coverage of necking at the sixth-form dance, homosexuality, masturbation, fornication and plain ogling.

The camerawork of David Feig, Mike Southon and Paul Houlston has been so adept—as we have come to expect all too unthinkingly with this sort of programme—that subjects and viewers seem to have been equally unaware of them. Like the Chris King's sound which has been almost wickedly effective at times.

If the series carries on in the same vein then at the end of 10 episodes we are going to have an outstandingly clear idea of how life goes on at

Radley, and that is no small achievement. Conveying that sort of information direct to the viewer without any intervening reporter is not just a question of doggedly pointing a camera and continuing to shoot while hoping you are in the right place, as *Blue Moon* in the "Omnibus" slot proved last week. That sort of account of the way a school works is review bunched and ground to a halt was powerfully atmospheric but infuriatingly uninformative. It showed without telling.

It may be argued that Francis Gerard's *War School* which ended last week, a BBC1 series not entirely dissimilar to *Public School*, definitely did include a critique of its subject, but then it clearly set out with different intentions and consequently different methods from Denton's *Public School*. Gerard was intent upon conveying the philosophy of General Frank Kitson and, extending from that, the ethos of the Army Staff College.

To do so it used reporter Michael Cockerell to bowl questions of the "some people accuse you" variety (too often slow, under-arm and begging to

be hit for six) at the officers. We learned that they were no mere debs' delights either, and a set of coherent attitudes and thoughts did come across. Yet we were left with precious little idea of Camberley as an institution: little about the food, the beds, the pecking order, the nightlife and so on—but then that was presumably never the aim.

Conversely the aim in *Public School* does seem to be the achievement of precisely that sort of detailed diagram of institutional life. To complain that there has been no criticism of the principle of fee-paying education is a little like hurling abuse at a Tube map for its failure to include properly adverse comment about overcrowding on the Northern line.

Having said all that, however, it must be admitted that when television does try to conduct its audience around the moral, political, aesthetic, or philosophical arguments which surround such matters as class distinction it is never as successful as it is with the physical manifestations. The special *Panorama* called "Them And Us" which was supposed to deal with "the bitter conflicts that divide our workplaces" was a prime example.

For a start it should never have been put on the screen in the form we had to endure because most of it said more about the problems of the programme makers and their unfortunate choice of "behaviour experts" to run the shooting match than it did about the nation's work difficulties. Second, even if it had been edited to a reasonable length it would have failed because what was apparently seen by the producers as an equation actually had only one side: the highly motivated, be they members of management or activist trade unionists. The vast majority of working people were simply not represented. And third, even if that error had been rectified it seems unlikely that the programme would have achieved much more than television's previous talk-ins—which is little enough.

It is not a plea for fewer such experiments: one hopes there will be more. But perhaps they could be assessed internally and a useful formula found before the next one gets on the screen. Meanwhile, *Public School* deserves praise for what it is: an expert series of descriptive documentaries.

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Wednesday February 13 1980

## Rhodesia on a knife-edge

THE SITUATION in Rhodesia is now balanced on a knife-edge. With two weeks to go before the elections begin, intimidation of voters from all sides is already widespread. There have been two attempts on the life of Mr. Robert Mugabe, the ZANU (PF) leader. The British military command in Rhodesia has begun to voice fears for the safety of its 1,300-strong monitoring force.

Lord Soames finds himself in the position of a referee in a multi-cornered heavyweight brawl, in which none of the participants can agree on the rules. Over the past few days, the Governor's office has been releasing a series of statements mainly aimed at proving to the ZANU guerrillas that he has armed himself with wide powers to ban individuals or parties from the election. A new ordinance yesterday allows him to cancel the electoral process in 22 rural areas where the current level of intimidation would make a free and fair election impossible.

Mr. Mugabe for his part has bitterly attacked Lord Soames, has threatened to restart the guerrilla war and has tried to pin responsibility for Sunday's assassination attempt on the security forces.

## Stretching

The headlines over the past four days have given the impression that the Lancaster House process is slipping away from Lord Soames and the British Government. It is certainly true that if Mr. Mugabe had been killed on Sunday, the consequences would have been very severe. It is also true that the reality of trying to bring a long and bloody guerrilla war to an end by holding an election is going to require a very wide stretching of the terms "free" and "fair" as they are normally understood in the western world. This is an election whose starting point is violence.

But if the past few days have tended to draw out the dark side of what is going on in Rhodesia, there are still a number of shafts of light play-

ing on the country. The early phases of the Lancaster House process—the assembling of the rival armies, the transfer of effort by all parties from killing each other to appealing to the voters—has gone better than could reasonably have been expected. Throughout the period of the Lancaster House talks, some 400 people were being killed a week. Since the "ceasefire" this number has been reduced to an average of about 20.

The fundamental pressures acting on the main participants throughout the long Lancaster House talks are still there today. All of them—the principal African leaders, the heads of the Government of the Front Line States including South Africa—need peace more than they want a reversion to civil war. The elaborate Lancaster House game of bluff and counter-bluff, of threat and counter-threat, has carried through to Salisbury.

## Beleaguered

Britain's position of holding responsibility without power to enforce it has been brought into sharper focus in the past few days, and Lord Soames will no doubt look increasingly beleaguered over the next three or four weeks. It is still by no means impossible that an election that is acceptable to the international community will take place, and that the intended transfer of power will follow.

For this to happen, all parties have to come up to the election feeling that they have not been so seriously disadvantaged by intimidation that they can no longer participate. Lord Soames knows that he cannot ban Mr. Mugabe or his party from taking part. The whole Lancaster House process would blow up in his face if he did. Equally disastrous would be if either Mr. Nkomo—who is busy transforming himself into a man of peace and national reconciliation—or Bishop Muzorewa were to withdraw. That would bring the pack of cards down.

The situation is messy, cruel and dangerous. It is still on the rails.

## A clearer role for BNOC

THE APPOINTMENT yesterday of a new team of managers for the British National Oil Corporation should mark the beginning of the end of a long period of uncertainty about BNOC's future. Ever since the general election, the Conservative administration has been looking for a way to reconcile its natural inclination to run down the Government's role in North Sea oil production, with the growing conviction among some Ministers that relinquishing direct control over Britain's oil would seriously damage diplomatic and national security interests.

## Privileged

It now looks as if the Government has found a broadly satisfactory solution to this dilemma, after going again over much of the ground that was covered in the Cabinet debates about the future of the Treasury's shareholding in British Petroleum. The essence of the plan is to separate clearly BNOC's commercial, and political, roles. These roles were compounded by the Labour Government when it established BNOC, to the great annoyance of the private oil companies, which saw BNOC as both an overseer and an unfairly privileged competitor. The most objectionable features of the regulatory role were abolished immediately after the elections, so that BNOC is no longer regarded with resentment and suspicion by either oil companies. But there remains the anomaly that BNOC is supposed to operate both as an independent commercial enterprise and as an agent for the Government's oil marketing.

The dual role would make it difficult, if not impossible, to bring private capital into BNOC as it is constituted at present. It is therefore likely that the corporation will be broken up into two parts: a production arm, which will carry on BNOC's present production and exploration activities, and a trading arm, which would act purely as the government agent responsible for trading the 51 per cent of each North Sea oilfield's output to which BNOC is currently entitled.

## Share issue

The production company would thus be transformed into an ordinary oil company, with substantial reserves of its own oil, with a good exploration record and with excellent commercial prospects. The Treasury would have no difficulty in raising substantial sums towards the public sector's deficit by offering shares in this part of

BNOC to private investors. Another option would be to issue shares, without charge, to all British citizens—and so distribute some of the benefits of North Sea oil, and of share ownership, as broadly as possible. The Treasury's inclination is to give preference to a reduction in the borrowing requirement, but the two aims could be reconciled if a distribution of BNOC shares were seen by the Government as an alternative to part of its tax-cutting programme.

Whatever scheme is eventually chosen, there will be no reason to confine the private shareholding to a minority in the long-run. BNOC has operated successfully and has contributed to the intense competition which has ensured the North Sea's efficient development. These were good arguments against dismantling its production side altogether, which at one time the Government considered. But there is no great advantage in retaining BNOC as a state-controlled company, particularly since the Government will presumably give an undertaking not to interfere in the management of the new company before offering shares to the public.

## Agency

The future of the trading arm of BNOC is more problematic. At first sight the idea of retaining this as a wholly-owned state undertaking appears to contradict the Government's industrial philosophy. It would be more accurate, however, to view the planned trading company as a government agency than as a nationalised commercial enterprise. Its responsibilities will presumably not include "downstream" operations such as refining and marketing. Its main function will be administering the Government's participation agreements with the oil companies and ensuring that the Government has control over the destination of Britain's oil.

In theory even this degree of Government involvement in the oil market may be considered objectionable. But the strong desire of some Ministers, particularly those at the Foreign Office, to keep oil trading in Government hands is understandable—particularly at a time when oil has become an important tool of international diplomacy; when the multinational oil companies are being squeezed out of oil deals made on a government-to-government basis; and when Britain's oil provides it with an opportunity to take the lead in formulating a European energy policy.

DAVID TONGE REPORTS ON THE WORK OF THE BRANDT COMMISSION

## Marked shift of power to the Third World

At first sight the timing of the Brandt Commission's report could hardly be worse. The economic problems of the West are leading to retrenchment and to talk of increasing protectionism. The North-South dialogue appears in trouble.

Last summer the Manila meeting of the United Nations Conference on Trade and Development broke up in virtual disarray. This weekend a conference of the UN Industrial Development Organisation, far from charting a course for the 1980s, ended in open confrontation between the developed and the developing countries (the Eastern bloc voted with the latter group).

The economic problems only serve to highlight the apocalyptic vision of the future presented by the leading personalities from North and South who made up the Brandt Commission. Set up in 1977 the Commission was financed by governments from the West and South, from OPEC and others. Its members included Mr. Abdulfattah Yo Al-Hamad of the Kuwait Fund, Mr. Edward Heath, the former British Prime Minister, and Mr. Sonny Ramphal, Secretary General of the Commonwealth.

As for the North-South dialogue, it has long been a case of "the dialogue is dead; long live the dialogue".

The Commission writes that there has been a greater shift of power to the South than has been widely appreciated. The extent of that shift since World War II is to some extent reflected inside the United Nations—and is one reason for Western frustration at the UN. It is less reflected in the institutions set up at Bretton Woods in 1944: the IMF and the World Bank. These are still dominated by the industrialised West, but here too there have been changes. The combined voting rights at the IMF of OPEC and of the Organisation of African Unity have risen from 5.3 per cent of the total in 1960 to 17.4 per cent today.

There has also been a shift in attitudes. This is brought out by comparing the approach of the Pearson Commission which reported in 1969 with that of the Brandt Commission. It is indicative that Pearson reported to the World Bank, and Brandt to the UN. But while Pearson concentrated on aid, Brandt paints on a far larger canvas. Justifying arms and development expenditure, high-

lighting the political dimension of the question and emphasising the extent to which North and South, like it or not, are interdependent.

The Brandt Commission's vision of the future is dire. In the short-term the developing world is plunging ever deeper into debt, the banks seem unable to handle the massive recycling of funds needed, and the outlook for energy is grim. Further ahead lies the possibility of an overcrowded world, short of food, long on desert and riven by conflict. It is in this context that the Commission argues that the North-South dialogue is not about charity but about mutual interest. What also emerges is how this dialogue is liable to be a permanent feature of the world scene.

In the past 15 years some achievements have been notched up. The Generalised System of Preferences means developed countries allow duty-free imports of some manufactures from developing countries. The two Lomé Conventions between the EEC and the developing countries contained important features such as Stabex, a commodity stabilisation fund. Agreement is slowly approaching on details of the

Common Fund, also to stabilise commodity prices.

The debts of some of the poorest countries have been cancelled and there is agreement in principle to set up a Sea-Bed Authority to deal with the "common heritage of mankind" under the seas. Given that each year there are 6,000 UN conferences involving 1m pages of documentation, these are arguably small advances.

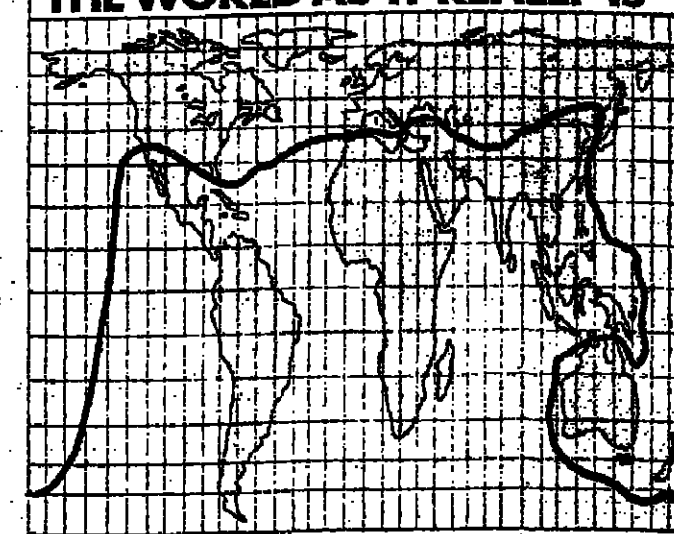
The Pearson Commission is mainly remembered for helping secure agreement that overall net flows to the South should exceed 1 per cent of GNP and official aid should exceed 0.7 per cent of GNP. The first of these targets has been met. The second has not. Can the Brandt Commission hope to do better?

It is no criticism to point out that few of the Commission's ideas are totally fresh. Instead their ancestry is often old but honourable, with the levy on trade dating back to the 1940s and a large number of others to be found in the resolutions of UNCTAD or of the meeting last February of the developing countries, the Group of 77, at Arusha, Tanzania.

To this extent the prospects for the Brandt Commission are identical with those for the

Financial Times Wednesday February 13 1980

THE WORLD AS IT REALLY IS



The map is based on the Peters Projection of the world which, it is claimed, gives a more accurate view of the proportion of land surface area than the more familiar Mercator Projection. It is the work of Dr. Arno Peters of Bremen University.

North-South dialogue. One of the weaknesses of this dialogue is that no group of countries willingly relinquishes a position of privilege. At present only OPEC can force the West to take note. In 1975 the new importance of OPEC brought fresh attention to the dialogue and helped the 1975-1977 Paris Conference off the ground.

Now there is a further chance of OPEC giving a stimulus to the dialogue. After the disappointments of last year's UNCTAD meeting at Manila it was Algeria which led attempts to keep the dialogue alive.

As a result this autumn the UN is to hold a special session on North-South issues and to start Global Negotiations on "practicable subjects" to be agreed of mutual interest. The North-South dialogue is

thus on the table, with the UN holding a preparatory session this month and the Group of 77 planning a ministerial meeting in Algiers next month.

Governments in the West are in two minds as to whether OPEC will bat for the developing countries. The tendency in the EEC is to argue that strains are bound to develop between oil-exporting and oil-importing countries and between the newly industrialising countries such as Brazil and the least developed ones.

Some EEC members have tried to approach OPEC to do a deal with it in advance of North-South negotiations. So far they have been rebuffed. But that such feelers were just out indicates the change since the days of Pearson—and why Brandt's vision cannot be brushed aside.

## Present imperfect, future grim

THE FUTURE, it seems, does not work. "The world community faces much greater dangers than at any time since World War II. It is clear that the world economy is now functioning so badly that it damages both the immediate and longer-run interests of all nations."

This anxiety and the mutual interests of the industrialised North and the developing South in tackling the problems are the two main themes of the Brandt Commission's report. Its analysis covers a broad sweep of human activity, giving an apocalyptic view of the numerous areas where the world is breaking down. It calls for a massive transfer of resources to the South.

In the short-run the lot of the world's 800m destitute seems intractable: life expectancy in the South remains more than 20 years less than in the North; one out of four children in many countries will die before the age of five; developing countries' debts are likely to swell; and the world's financial system has great trouble in continuing to recycle funds.

In the longer term the world's population is likely to rise from the present level of 4.3bn to 8bn-8.5bn by AD 2000 and to reach between 8bn and 15bn next century. Yet on current trends even by 1990 the Third World will need to import 145m tons of food annually, nearly twice the present level. It is doubtful whether this can be provided or paid for. In any case there

could be a renewed inflationary surge in world food prices.

Such problems as the desertification each year in the Third World equivalent to half the area of the United Kingdom, the depletion of the oceans and the world's energy resources cause Herr Willy Brandt to ask in his introduction: "Are we to leave our successors a scorched planet of advancing deserts, impoverished landscapes and ailing environments?" They also cause the Commission to write: "The North-South debate is often described as if the rich were being asked to make sacrifices in response to the demands of the poor. We reject this view. The world is now a fragile and interlocking system, whether for its people, its ecology or its resources. Many individual societies have settled their inner conflicts. . . . The world, too, can become stronger by becoming a just and humane society. If it fails in this it will move towards its own destruction."

The Commission makes the following main points:

Trade: Creeping protectionism and "orderly marketing arrangements" are condemned. For most countries balanced trade expansion is a less inflationary way to raise the level of economic activity than stimulation by public expenditure. One U.S. worker in 20 is producing exports for the Third World. During the post 1973 recession increased exports to the south saved 3m jobs in the OECD countries. The loss of jobs in the north due to imports from

the south has been very small in relation to total unemployment.

Commodities: 60 per cent of world exports of major agricultural and mineral commodities other than oil originates from the Third World. UNCTAD has estimated that for 10 commodities local semi-processing could increase developing countries' export earnings by \$27bn per year—more than one and a half times what these commodities now earn them. But tariff and freight structures discriminate against exporting semi-processed commodities. There may also have been a long-term decline in commodity prices. The case for stabilised prices is made strongly. Industry and transnationals: The developing countries share of world manufacturing rose from 7 per cent in the 1960s to 9 per cent in 1977. In 1973 the UN Industrial Development Organisation adopted the target of 25 per cent for this share by AD 2000 and the Commission feels this is no tout of reach if developed countries assist. However, it points out that eight countries alone accounted for 78 per cent of additional Third World manufacturing exports to the OECD between 1970 and 1976.

Transnationals now control between one quarter and one third of all world production. The total sales of their foreign affiliates in 1976 were estimated at about \$300bn—about the same as the then GNP of all nonoil exporting developing countries. Intra-firm trading may account for over one-third of all world trade, emphasising

the potential for restrictive business practices.

Energy: The report points out that one American uses as much commercial energy as three Swiss, nine Mexicans, 33 Indians and 1,072 Nepalese. It says that industrial countries will have to alter lifestyles. It gives three reasons why oil producers may restrain production: that oil is a depletable resource, that the faster the off-take from a well the less it may yield in total, and that assets oil producers can buy seem of less long-term value than oil in the ground.

It welcomes nuclear energy and calls for a global energy research centre under UN auspices.

It calls for the USSR (the world's largest oil producer) and China to be included in future arrangements, and warns that intervention with force to ensure the security of future oil supplies "would put world peace in jeopardy even talk of them increases political tensions."

Disarmament and Development: The connection between these is a central point of the report. The need to end definitions of security which are restricted to military matters is stressed. "More arms do not make mankind safer, only poorer," the report writes, pointing out that annual world military expenditure totals \$450bn a year, compared with official development aid of \$20bn. The cost of one tank could provide classrooms for 30,000 children. That of a jet fighter could set up 40,000 village pharmacies. One-half of one per cent of one year's world

military expenditure would pay to equip low-income countries to approach self-sufficiency in food by 1990.

Monetary Reform: The Commission describes how the Bretton Woods exchange rate system had broken down but how the Bretton Woods institutions—the World Bank and the International Monetary Fund—remained. It calls on them to give a greater say to the developing countries, both in control and staffing. And it points to the "current monetary disorder" and the need to take account of changes in the world since 1944.

It gives strong backing to expanding the IMF's Special Drawing Rights, urging their distribution to be more equitable. It also backs the proposed substitution account. But it is strongly critical of the conditionality of IMF loans to countries in distress, referring to "IMF riots." It laments the declining role of official development aid and criticises shortcomings in the international capital markets.

The Commission wants the current \$20bn annual official development assistance to be doubled at least. It calls for the young to be educated about the world's problems, and for a summit of some 25 world political leaders to launch a new global initiative, with the North-South dialogue involving discussions at more manageable forums. It argues the need for a World Development Fund under the aegis of the UN, complementary to the IMF and World Bank, but not as an

alternative to their reform and restructuring. It wishes to see the East involved in such moves as only a reduction in East-West tension can lead to sound North-South co-operation. But it argues that more power may already have passed to the South than is appreciated.

Perhaps the Commission's most radical suggestion is for a levy on trade, or air travel or arm transfers, to ensure automatic provision of resources for development. To those who argue that international taxation is unrealistic in the light of public opinion, the Commission replies that a century ago the same was said of national income tax.

\* North-South: A programme for Survival. The Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt. Editorial adviser: Anthony Sampson. Pp. 1, £1.95

## MEN AND MATTERS

Seeing the show from down below

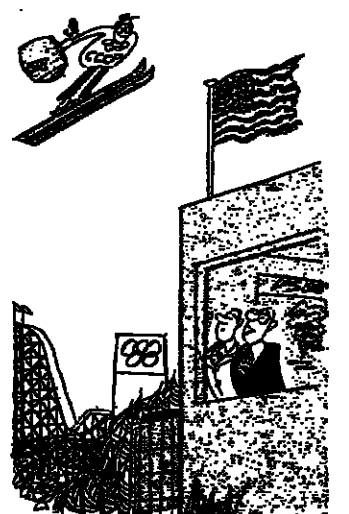
Aldermaston marchers of yesterday must be appalled at the lukewarm approach of 1980 men to the renewal of the Cold War. This was in some sense typified by Home Secretary Willie Whitelaw on Monday, when he suggested that most houses offered "reasonable protection" against radioactive fallout.

This observation caused no noticeable explosions on the Labour backbenches, but experts in the nuclear field find it a curious view. "Basically," according to one of them, "what you need is a deep hole in the ground."

But let no one suggest that the government is being idle. Apart from preparing and circulating a helpful draft leaflet called Protect and Survive, it is calling a pretend nuclear holocaust. Scheduled for Sunday March 2, this promises to be a gentle affair, mainly arranged by a computer with its dials turned to Vindictive. The bombing of Britain should, given fine weather, provide a pleasant day out for 10,000 men of the Royal Observer Corps as well as for 400 scientifically-minded Home Office volunteers, all of whom enjoy the advantage of having, in the event of a real war, their very own holes. They will be manning observation bunkers dotted at 10-mile intervals round the country and monitoring the mock destruction of their country. Above ground, not even a siren will sound.

"We will try to give them something out of the ordinary," I was told by Ted Hobbs of the Banbury-based UK Warning and Monitoring Organisation. "We may blow the top off Mount Snowdon, and Milton Keynes could well be one place that will go," he said playfully.

But Mr. Hobbs himself will be there, he says, "in a hole in the ground letting it all happen." He informs me that the number of staff at the



"Looks like the first defections of the Games"

monitoring base provided with a fallout shelter has been increased from four to six. This leaves 24 out in the cold, if that is the right word. What was their attitude? "They don't really think about it," says Mr. Hobbs laconically. "That's the way most people think—if the balloon's going to go up, it's going to go up."

## Roy's the boy

The Labour Party has always been ambivalent in its attitude towards professional publicists. Some members view them simply as nuisances while others attribute to them Svengali-style powers. In the circumstances, some of them might be interested to hear the views of Gordon Reece, Tory director of publicity, on the "marketability" of the various possible successors to Jim Callaghan.

Unhappily, the man Reece says could be most difficult for Mrs. Thatcher to beat at the next election is one who is hardly in the running for the Labour leadership, and may not even have the chance to

stand as a party candidate again.

According to Reece, Roy Mason, MP for Barnstaple, who is having trouble with his local party, has all the makings of a vote-winning leader: he is tough, patiently nice, honest, and a Yorkshireman to boot.

## Bailing out

Fane Vernon, the talkative chairman and managing director of steel roof engineers Ash and Lacy, has decided that other sectors of British industry should benefit from his 21 years of experience at the top. Accordingly he has handed over control and will shortly take up the chair at down-in-the-dumps British Dredging. "I want to help the company recover its strong reputation . . . the Board, you know . . . there has been a history of conflict," he tells me in inimitable machine-gun style.

Apart from bailing out the dredgers, he has other ambitions. "I would like to put some fighting spirit into the management of bigger companies. Even possibly I might take a full-time job with a bigger firm." How much bigger? "Any scale," fires back the self-assured Vernon. "British management, you know, is very disappointing. Lacks confidence even more than competence."

He had left Ash and Lacy to give himself a wider challenge, and to allow his Board colleagues promotion while they were still young "and 10 years before they might have expected it."

"There are too many Boards cluttered up with dead wood . . . er . . . not that I'm dead wood," he adds, shooting down my next question. "But I might be in five years."

## Tripped up

Profligate Hungarian functionaries have been warned by the Finance Ministry in Budapest that they must cut down on

their expenses. A decree issued yesterday ordered state institutions and other enterprises to reduce their entertainment and travelling costs by 25 per cent.

The move follows recent complaints in the official Party newspaper that top managers of industrial enterprises in particular were wasting money. Pretending to visit the West for business purposes, the paper charged, they went on holiday instead and some of them even took their pals along for the ride.

## Bloody Monday

Bemused diplomats attending a reception at the Iranian Embassy in London on Monday night marking the first anniversary of the revolution could hardly escape noticing that martyrdom was the theme of the day—not their own, that is, but the thousands who died during the struggle against the Shah. Scenes of split blood and death covered the walls; a film show thundered against the inequities of the former regime; and, as one was observed, even the birthday cake (sporting a solitary candle) cut by Charge d'Affaires, Dr. Gholam Ali Afrouz was filled with a red, glutinous substance.

Apart from the journalists present—who saw themselves described in the official hand-out as henchmen of "devilish powers"—most of the guests were diplomats from sympathetic Third World nations—though a man from Westminster Chamber of Commerce turned up to represent British business hopes.

## Slow but sure

Heard in a Birmingham bar: "I've taken my lad into the business but he's bone idle—the only way I can see him getting to the top of the tree is by sitting on an acorn."

Observer

OF LONDON

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## THE WINTER OLYMPICS

## Politics and commerce

WHEN THE Olympic flame bursts into life in Lake Placid today it will light a scene which could provide a ready-made plot for any aspiring writer.

The background is one of world conflict, political intrigue and a threat to the whole concept of the Olympics and—more immediately—whether the summer games in Moscow will be boycotted or perhaps postponed. The International Olympic Committee, which is meeting in Lake Placid, maintains that politics and sport must remain separate, and that the Russian invasion of Afghanistan should not prevent the games taking place in Moscow.

But whatever happens to those games, the winter Olympics will continue in the usual feverishly competitive atmosphere of commercial interests, and international athletes in some of the world's most glamorous sports will do battle—knowing that at the end of the day professional glories may follow Olympic gold.

A cynic might be forgiven for suggesting that if the summer Olympics are basically about national sporting pride then the winter events, which start tomorrow after today's opening ceremony, have a strong undercurrent of commercial realism running through them.

Commercial links with winter sports, particularly skiing, were the near despair of former Olympic chief Mr. Avery Brundage and even now there is a good deal more than medals at stake when the skiers make their 80-mile-a-hour plunge down the steep race course of Placid's Whiteface Mountain. Britain's John Curry in 1976 demonstrated the way in which Olympic gold could be transmuted to professional revenue. But personal finances are only

the tip of a very large sporting iceberg.

Next winter, for example, Europe will see the launching of a professional ski circuit similar to those operating in tennis. Already professional skiing is big business in the U.S. If the right people win medals this week—the right people being those who are willing to sign up for pro-racing—then the circuit will be off to a spectacular and highly profitable start. The first hand to slap the backs of some winners will have a cheque book in it.

Lake Placid is a small upstate ski resort near Montreal than Manhattan. It has a modest amount of ski terrain by world standards but it is impressive in quality. Not many American resorts have sufficient ski space to run a men's downhill for example. So small is the resort that even with new buildings which will later be used as a prison complex, it cannot house everyone who wishes to see the games. Only competitors, officials and journalists will be in the privileged ranks of those staying close to the resort itself.

Other visitors face daily bus trips from surrounding areas. For some it will mean a two hour journey back and forth each day. The resort itself has been closed to winter sports enthusiasts since January, for most of which month it was worryingly snowed out. However, it has long since been packed with trainers, officials and the competitors themselves. Winter sports are not, however, the popular spectator events that track athletics are, with the notable exception of ice hockey. So there has been no great rush for tickets. The bus ride, the winter and the wide availability of television coverage have combined to be considerable deterrents.

New York State is looking to get more than a new prison out of the games. TV coverage not only helps to repay the investment in facilities but also helps to boost the state's considerable, and recently successful, efforts to increase tourism. This effort, recently seen in Europe with an extension of the "I Love New York" campaign, has gone a long way to reversing the image of New York city and state being made up of wall to wall skyscrapers and freeways. Lake Placid itself is a small isolated community surrounded by rugged near-wilderness.

Tourism is a major factor in the New York campaign for what is otherwise a depressed area. But it is also one of the secrets behind many national efforts among the competing teams. The nation which provides the most successful competitors, particularly in the skiing events, will be able to claim that it offers holidaymakers the best winter sports facilities. When the French, led by Jean Claude Killy, were beating the Austrians in ski races in the late 1960s and early 1970s they were able to argue that it was because Austrian teaching methods were old fashioned, a campaign which has lately back-fired.

New French resorts blossomed in the glory of Killy's victories and Austrians fought to recover their former glory, a bid meeting considerable success recently. To have a champion means a great deal to an alpine village. To be in the major league you have to either breed or buy them. Karl Schranz, whose alleged involvement in ski promotion while still enjoying amateur status brought him into conflict with the International Olympics Committee, now heads the ski school at St. Anton.

American medalist Billy Kidd does an energetic marketing job for Steamboat Springs, Colorado. Killy himself spends a lot of time in the U.S. and has flirted with show business.

In theory winter sports are still firmly divided between the amateur and the professional. In fact the scene is very similar to that in tennis before that sport went open.

At the heart of the commercial aspect of the games is equipment manufacture. A pair of skis will cost the average recreational skier between £50 and £150 and there are more than 20m regular skiers in the world (perhaps 300,000 in Britain) most of whom believe that if only they could afford better skis they would be better skiers. A medalist grasping a ski is a crucial piece of promotional material. Even the British team gets free skis, just as it gets considerable financial support from the group, but there is a strong suspicion that some top teams get a lot more than a few pieces of free equipment and help with training costs.

With many skis instantly recognisable by their colours, even if the name is removed, the effort to ensure that the champion shows off his skis in all the pictures is a determined one.

While the British have to train in comparative poverty some of the major alpine nations have elaborate training systems which make the Olympic ideal of part-time sportsmen seem out of touch with reality.

For the East Europeans the objectives are rather different, of course. The East Germans have shown just what can be done by the application of thorough full time training to what might once have been regarded as a gentleman's sport.

bobsled racing. The British gentry is no longer a major force in this business.

The reason the East Europeans have had to make do with skating, bobsled and cross-country ski victories is that skiing is a largely capitalist sport needing extensive, and expensive facilities. The explosion of skiing as a recreation in North America has brought forward a crop of good U.S. and Canadian skiers who are now competing with the Swiss, Austrians and French in the major leagues. More medals would mean a further development of this growth and thus more business for the resorts of the respective countries.

Thus when the first medals are won or lost over the next few days the tears and cheers will come not only from families, friends and local supporters. They will be seen and heard in boardrooms and banking halls. The real gold of the winter Olympics comes later.

## A guide to the events

## ALPINE SKIING

Men's downhill: The Austrians have enormous depth in their team but are missing a star. Klammer is sadly off form. Anything better than a bronze, which could go to Peter Wirthsberger, would be a surprise. Best prospects for gold look to be Ken Reid of Canada and Peter Muller of Switzerland. A fall for either or both of these could give Austria the chance it needs. Waxing is going to be crucial in the usually deep cold of upstate New York—it could favour the North Americans who have experience of such conditions.



Going for gold: Robin Cousins, Britain's figure skating hope and Austria's Annemarie Moser-Proell, a favourite in the ladies' skiing competition.

Women's downhill: By far the most fascinating battle of the games. Annemarie Moser-Proell of Austria ought to beat Marie Therese Nadig of Switzerland, but Proell suffers from stage fright. The picture is made more interesting still by Cindy Nelson of the U.S. skiing on home ground.

Men's slaloms: Swede Ingemar Stenmark is surely unbeatable in the Olympics. Watch his second run in these events, he has an amazing turn of speed. The major threat is Andy Wenzel, part of the brother and sister team from tiny Liechtenstein. Peter Lüscher could produce a medal for the Swiss in the giant slalom.

Women's slaloms: Hanni Wenzel might prove better than either Moser-Proell or Nadig.

NORDIC SKIING  
Jumping: A few months ago it was thought that the East Germans and Finns would dominate the jumps but recently the Austrians have shown impressive talents.

Placid jumps are exposed and a gusty day could play havoc with the jumpers. On form Austria's Henry Neuper should take the golds with East

Germany's Henry Glass there for the silver, perhaps one each. Cross country: An amazing test of endurance, these events tend to be dominated by the Finns. Swedes, Russians and East Germans, the only possible upset could come from American Bill Koch in the 30km event.

FIGURE SKATING  
Men's figures: Britain's best chance of a gold with Robin Cousins showing signs of overcoming his weakness in the compulsory figures. In spite of recent form a Cousins victory should not be taken for granted.

Women's figures: It could go to the home girl Linda Fratianne of the U.S. Victory would certainly mean a spectacular end to a successful amateur career and a flying start for the professional circuit.

The threat comes from East Germany's Anett Potzsch. Pairs: A fierce battle between the U.S. and Russia. The excitement comes from Americans Randy Gardner and Tai Babilonia and the precision from Russians A. Zaitzev and Irina Rodnina.

Ice dancing: Britain is in with a slim chance of a medal. Jayne Torvill and Christopher Dean

face daunting opposition. Kristina Regoczy and Andreas Sallay of Hungary are likely to win a medal and might even beat a powerful Russian squad. Best bet for a gold, however, must be the Russians Natalia Linichuk and Gennadi Karponov.

SPEED SKATING  
Men's events: The Americans are very enthusiastic about brother and sister team Eric and Beth Heiden and certainly see no way that Eric is going to be beaten in any event. It is the Norwegians, who pose the threat.

Women's events: Beth should collect a medal or two, but is unlikely to manage a clean sweep. East Germany and Russia have considerable depths of skills.

Ice hockey: Always a sure bet for some icy fisticuffs but there does not seem to be any prospect of the Russians meeting anyone to give them serious trouble.

TOBOGGANING  
Bobsleigh: The East Germans have worked hard at these events with awesome results. Luge: Again it is the East Germans, who will be setting the pace. With speeds topping 60 mph the racing is an impressive test of both courage and skill.

Room 16, 10.45 am. Employment. Subject: Manpower Services Commission's Corporate Plan, 1980-84. Witnesses: Manpower Services Commission, Room 6, 4.30 pm.

OFFICIAL STATISTICS  
December provisional index of industrial production.

COMPANY MEETINGS  
Lloyds and Scottish, 8-9 Chesterfield Hill, W. 12.

COMPANY RESULTS  
Final dividends: Anglo American Securities Corporation, Broadstone Investment Trust, General Consolidated Investment Trust, Securicor Group, Security Services, Thomas Witter, Yeoman Investment Trust. Interim dividends: Elbief, Press Tools, Watshams.

## Letters to the Editor

## Controlling the Comptroller

From Mr. I. Mackay

Sir—Whenever the knives are out for Exchequer and Audit Department we can always rely on Professor Edward Stamp (February 11) to have his little dig. To say that "... the main problem has been the supine and servile incompetence of the public accounts committee in its efforts to curb the influence of the Treasury over the Comptroller and Auditor General" is nonsense. I have served six C. and A.G. in the past 42 years, and not one of them has needed the assistance of PAC in this field for the simple reason that there is no Treasury influence to be curbed. "Aha," says Edward, "what about control of staffing levels?" To which I reply: "In theory, yes; in practice, no." On only one particular and specialised occasion in the last 10 years has Treasury (civil service department) turned down our request for extra staff, and this was rectified soon afterwards. That we are at present so badly understaffed is our own fault in trying to emulate Caesar's wife.

Paul's change of heart on the way to Damascus was as nothing to the overnight conversion from poacher to gamekeeper of one who leaves the civil service to become C. and A.G.—and none more so than an ex-Treasury man. On one recent occasion I was amused by the delight taken by Sir Douglas Hooley in an awkward PAC questions for the Treasury officer of accounts—a post he had previously held. This robust independence permeates to the newest of new entrants.

If public funds were to be used by Maggie in buying a new hat, or by Jim for another farm, or by David Steel for a £200 lunch for Cyril Smith, we would be after them faster than you could say Red Robbo. Would this happen to their equivalents in the private sector? If your answer is "Yes" you obviously don't read your daily newspaper.

Ian Mackay,  
28, Lyonsdown Road,  
New Barnet, Herts.

## Small craft foundries

From Mr. L. Hall

Sir—The iron foundry industry grew out of a need by manufacturing industries for quantities of inexpensive engineering components, and casting is still the cheapest way of producing a complex-shaped object in iron. When engineering business is booming, large volumes of iron castings are required, and certainly at peak times over the last 20 years deliveries of castings have never been satisfactory. Each successive economic upturn has been more unsatisfactory than the last, and this has been largely due to the continuing loss of foundries, which have been closing at the rate of about one per week since the second world war.

While there has been growth in the technically-based and automated foundries which serve the volume customers, the small craft foundries have seriously declined.

Dr. D. Hitchens (February 5 and 11) believes that this is a healthy streamlining of the

industry, and that it is the less skill-intensive foundries which close.

Among the 800 foundries which have closed over the last 20 years, however, we have lost almost all the foundries which were capable of producing large floor-moulded general iron castings, the most skilled of all, and engineering manufacturers have been forced to re-design around welded steel fabrications which are more expensive, and have other disadvantages.

There are no similar viable substitutes for the smaller general engineering castings where production runs are uneconomic to the mechanised foundries when they are busy.

Purchasers were driven to buy castings from abroad during the last upturn, and with the continuing closure of more U.K. foundries, imported castings will be increased even further in the future.

Unfortunately, foundries are among the most vulnerable sectors of industry during the peaks and troughs of our economy; many have never been profitable enough to weather the troughs and have gone to the wall. Others have only been sustained by being tied to group manufacturers, but the expense involved in equipping to meet environmental control legislation on top of a prolonged poor economic climate, will be the last straw for the small craft foundries.

One thing is certain—when engineering becomes busy again, buyers will be scouring the country for every scrap of foundry capacity that is left.

Leslie V. Hall,  
Richmond House,  
94 Lombard Close,  
Huddersfield, Yorks.

## Protecting an investment

From the Managing Director, Westinghouse Foundry

Sir—Dr. D. Hitchens (February 11) shows a remarkable knowledge of the UK foundry industry and I believe he is correct in stating that tax relief and protection from environmental legislation is not the whole answer to the industry's present predicament.

The ultimate paragraph, does, however, worry me. Healthy streamlining of any industry is to be applauded but it is the timing of the cessation of such streamlining which is of concern. We contracted the sewing machine, motor cycle, white goods, radio and TV industries with appalling effect on our balance of payments. It is to be hoped that it is not too late for our steel and motor car market.

UK foundries are still closing at the rate of one per week and it is true to say that there is still over-capacity in the industry.

There are signs, however, of casting buyers increasing their spend with France, Germany, Spain, Portugal and Yugoslavia and I fear that one day we shall wake up and find that one of our oldest skills has been lost and we will have allowed other countries to export their unemployment to us. £50m of public money has been given to modernise our ferrous foundries, should we not try to protect that investment?

B. D. Coombs,  
Westinghouse Foundry,  
P.O. Box 65,  
Foundry Lane,  
Chappenhall, Wills.

## A serious anomaly

From Mr. R. Harris

Sir—As it is almost certain that taxes on alcohol will be substantially increased in this year's Budget, it is to be hoped that the chance will be taken to correct a serious anomaly.

At present the tax on beer and spirits is related to the alcoholic strength, but the tax on all wines of an alcoholic strength of between 10 per cent and 15 per cent is that to say on most table wines, is the same. This means that light wines such as claret and hock, whose alcoholic strength does not normally exceed 12 per cent, have to pay the same tax as considerably stronger wines. If the purpose of taxing alcohol heavily is to reduce drunkenness and alcoholism, and there can be no other justification, then this is clearly a most undesirable state of affairs for it is obviously preferable that people should be encouraged to drink weaker wine. The tax on wine should therefore be related to alcoholic strength.

I should say that I have no vested interest in the matter, except as a drinker.

R. Harris,  
Flat 8,  
118, Haverstock Hill, NW3.

## Wasted energy

From Mr. E. Ambrose

Sir—The Government is abandoning its energy conservation commitment.

As fuel costs (including those

of gas) continue to rise, Britain sadly lags behind other nations in our conservation efforts. Denmark with a tenth of our population is spending currently £275m to our £115m.

The grant scheme for industry is terminating and the planned advisory centres on insulation will be conveniently forgotten.

We are to return to traditional British building economy symbolised by a pair of trousers with two pockets—one for capital savings, the other (with a large hole in it) to pay for the consequential increase in maintenance and running costs. Why the hole? To lose the un-budgeted excessive waste.

There is real fear that the local authority insulation programme and the home insulation scheme—two incentives for which Government may receive plaudits because they made noticeable inroads into the still enormous wastage in house heating—are to be axed as part of the "spending" cuts under consideration.

When the Prime Minister was in opposition she wisely urged us to build up a reasonable store cupboard. The same principle applies to our fuel reserves. A packed store with a gaping hole in the wall inviting immediate looting—I chose the word advisedly—is no solution to our immediate problem.

Eric Ambrose  
Maccab, The Ridgeway,  
Mill Hill, NW7.

## The plight of the Welsh

From Mr. A. Williams MP

Sir—In last Friday's interesting article "Missed chances" Malcolm Rutherford commented that "the numbers of new industries being established in Wales is substantial." From this fact he then concluded that "there is a story to tell here which could be to the Government's advantage." Without wishing to offend Malcolm Rutherford may I suggest that the exact reverse is the case.

Virtually every new firm referred to was in Wales or negotiating to come to Wales before this administration took over—Sony, Panasonic, Hitachi, Ford. Even the recent Alwa announcement was the culmination of a year of negotiations with my (then) officials at the Department of Industry and subsequently with the Welsh Office. Indeed, Lord Trenchard, the current Minister of State for Industry, recently admitted to a deprivation of Welsh MPs that much of the present activity in Wales was due to Labour's "momentum."

But the point of this letter is not to lay claim to particular projects but to focus attention on a crucial point which the article did not take into account. The key factor is that all the firms which were listed as coming to Wales came, or are coming, under the very regional policy which this Government is about to dismantle or drastically diminish. Indeed, whatever new investment may have been initiated since the policy statement of July 1979 is mainly the last minute scramble by management to beat the summer 1980 deadline for the old levels of

regional aid. The amount of new industry is inevitably linked with national economic growth. The fact that investment and economic activity are about to fall suggests that the volume of new footloose industry will be limited.

But competition for the little there will be is actually going to be more acute. The non-assisted areas have virtually been freed of industrial development certificate control. At the very time that the assisted areas will be offering lower incentives areas such as Bristol, Slough and London itself will be campaigning to attract industries.

If we then add the "Welsh dimension"—the loss of nearly 20,000 steel jobs in north and south Wales with another 7,500 being lost in the pits which supply our steelworks, plus an unquantifiable number of consequential redundancies—you will see why, in the Welsh debate, the Conservative MP for Flint West described our employment prospects as "terrifying."

My fear is that Scotland, Lancashire, the North East, Yorkshire and Humberside as well as Wales are about to feel the backlash of the biggest switch in favour of southern England that we have seen in the post-war period.

For these reasons I firmly believe that while there is a story to tell here, it is a story which it will prove impossible to tell to the Government's advantage in the assisted areas, and particularly Wales.

Alan Williams,  
House of Commons, SW1.

## GENERAL

UK: Mr. David Howell, Energy Secretary, speaks at Institute of Petroleum dinner, Grosvenor House, London.

Prince Charles, and Mr. Gordon Richardson, Governor of the Bank of England, speak at Bristol Chamber of Commerce annual dinner.

TUC Economic Committee meets, London.

The Queen opens the Vikings Exhibition at the British Museum (until July 20).

Confederation of British Industry statement on links between industry and education, Birmingham.

London Chamber of Commerce conference on marketing strategy for consumer products.

In Middle East and North Africa: London Petroleum Equipment Exhibition opens, Bloomsbury Centre Hotel (until February 14).

Overseas: President Daniel Arap Moi of Kenya on state visit to West Germany (until February 15).

European Parliament in session, Strasbourg (until February 15).

PARLIAMENTARY BUSINESS  
House of Commons: Education Bill, remaining stages.

House of Lords: Debate on Government's industrial, financial and monetary policies. Criminal

## Today's Events

Justice (Amendment) Bill, third reading. Interpretation of Legislation Bill, second reading.

Select Committees: Education. Subject: Funding and organisation of courses in higher education. Witnesses: Committee of Vice-Chancellors, Committee of Directors of Polytechnics, Association of Principals of Colleges. Room 6, 9.30 am.

Energy. Subject: Government's nuclear power programme. Witnesses: UK Atomic Energy Authority. Room 8, 10.45 am.

Industry and Trades. Witnesses: Trade Policy Research Centre.

## The smaller the business, the bigger the Effect.

Small businesses thrive in the Peterborough air. All businesses do well (average growth for firms moving in is 15% a year—compared with a national fall of 1%), but the Effect on small firms can be quite dramatic.

## Case History 1

Aluwhite Windows—manufacturers of windows, doors and double glazing—were one of the first firms to move into a mini factory in Peterborough. They took 1,000 square feet in 1974, with a workforce of just two. Today the workforce is over fifty and the company has a 6,000 square foot factory.

Peterborough likes small firms. They are more resilient and flexible; they employ more people in any given area; they employ them more productively. And, of course, they have great potential for growth—for the Peterborough Effect to take effect, in fact. 82% of our new firms are small—employing an average of 17 people. What brings them to Peterborough?

## The right kind of space

Peterborough has built spaces specifically for small firms. We call them mini-factories, and they vary in size from 500 to 2,000 sq ft.

(When we first had the idea, the response was discouraging; but we kept faith, built some, and let them all very quickly. Soon there will be a total of 111).

Already 18 small firms have expanded out of their original mini-factories. We make that easy too, with buildings up to 40,000 square feet ready to move on to and into—from as little as £1.60 a square foot.

## The right kind of place

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expanding East Coast ports (60% of the city's output is exported).

## And the right kind of people...

Peterborough has long had a tradition of engineering skills. Now there is a total workforce of 65,000, with experience of the latest technologies and services.

And the Effect on them appears to be to make them more contented. Companies—large and small—who move here report less job switching and absenteeism, fewer scrapages and higher productivity; better staff relations all round in fact.

## ...in houses they are happy in.

We guarantee a home to rent or buy for every

employee a firm brings to Peterborough or recruits to the city later. Seventeen developers are building at prices between £14,000 and £40,000. And there are lovely old houses available all round the city.

## The City where enterprise works.

What Peterborough proves is that people with energy and enterprise can still win the rewards they deserve. Everything there is designed to help them work, grow, and get on.

That's why the Peterborough Effect takes over. Find out how it could work for you. Ring John Case on Peterborough (0753) 68931.

## Case History 2

Dyson Engineering Developments make fairings for motor cycles imported from Japan. They moved to Peterborough in 1977 when the Sutton, Surrey, premises proved too small. Since then they've doubled in size. Now they have a 3,100 square foot factory at Orton Southgate, beside the A1.

It must be the Peterborough Effect

Peterborough  
Cathedral city—new town



## Crest Nicholson profits jump 54% to £4.3m

FURTHER PROGRESS was made by Crest Nicholson in the year to October 31, 1979, with sales rising 27 per cent to £43.1m and pre-tax profits 54 per cent higher at £4.3m compared with £2.8m in the previous year.

The results reflect the directors' confidence at mid-year—reporting first half profits up from £1.01m to £1.81m, they expected the aim of a further advance for the year would be achieved including a significant increase in earnings per share.

Stated earnings per share at the year-end were 16.74p against 10.52p and 12.24p (8.17p) fully taxed. The final dividend is 2.5883p making the forecast 4.0683p on increased capital, against 3.7107p.

	1978-79	1977-78
Turnover	43,120	33,900
Profit before tax	4,320	2,800
Tax	1,679	1,175
Net profit	2,641	1,625
Minority	3	3
Attributable	2,638	1,598
Add: Extraord.	94	29
Dividends	678	410
Retained	2,060	1,205

The return on shareholders' funds shows an increase (for the fifth successive year) to 47 per cent which reflects the increasing efficiency in the management of funds, the directors say.

For the current year, the directors are confident of further significant growth, provided there is no deterioration in present economic conditions.

### BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

**TODAY**  
 Interim—Elliott, Prax, Tools, Firms—Anglo-American Securities, Birmid Quinlan, Drayton Premier Investment Trust, General Consolidated Investment Trust, Security, Security Services, Thomas Witter, Yeoman Investment Trust.

**FUTURE DATES**  
 Interim—Consolidated Plantations, Feb. 21  
 Drake and Scull, Feb. 19  
 Ever (George), Feb. 20  
 Foreign and Colonial Inv. Trst, Feb. 21  
 Newbold and Burton, Feb. 21  
 Norfolk Capital, Feb. 19  
 Queens Meat Houses, Mar. 24  
 Rentokil, Mar. 4  
 Scottish United Investors, Feb. 15

During 1978-79, activities in property, document handling and optical products all did well, but operations in the marine field and the production of pumps and generators faced more difficult conditions. Thus, Crofton group which was acquired in the year, out-performed expectations.

**Comment**  
 The comparative ease with which Crest Nicholson has achieved its 25 per cent compound growth targets since 1974 suggests that fully taxed earnings of 15.3p per

share can be pencilled in for the current year. The property division is again contributing over 60 per cent of profits but there are sufficient caveats on the 1980 housing front to demand a certain degree of caution. Crest, however, has apparently already arranged to sell two-thirds of the units it requires to hit the budgeted level of growth in this division while the performance of the new optics operation in for eight months during 1978-79, suggests that the maximum deferred consideration will be payable. Returning something over 80 per cent on capital employed, the Crofton acquisition has helped to lift the overall return by around 10 points to a useful 47 per cent but the extent to which working capital has been pruned in the last year is almost equally important. Both Cornet and the boat building are unlikely to recover quickly but Camper's recent small losses should be eliminated and Crest still made a profit in gears and pumps last year despite a near 50 per cent fall in turnover. Rated as a housebuilder, the group is trading at 3.4 times historic earnings at 106p, up 1p yesterday, but the prospective multiple of 6.3 (if the track record remains intact) is by no means vulnerable. The 5.6 per cent yield is neither here nor there but cover is very adequate.

## Joseph Webb ahead halfway and sees increase for year

FIRST HALF profits of Joseph Webb and Co. have improved from £227,000 to £295,000 and the directors expect pre-tax profits for the current year to March 31, 1980 to show an advance on the previous year's £228,000.

Turnover in the first six months increased from £1.53m to £2.18m. Profits are after interest of £21,000 (£24,000) but before tax of £71,000 against £22,000.

The directors of the group which trades in estate development, property investment and holidays and entertainment, say the current level of bookings for the 1980 holiday season is again encouraging and it is expected this will reflect an overall increase in profit for 1980-81.

The interim dividend is effectively lifted from 0.1671p to 0.1313p—the previous total was equal to 0.4894p.

First half trading profit was £276,268 (£231,037). Holidays and leisure increased their contribution to £234,059 (£272,691) which continues to reflect the level of bookings and increased capacity built up by acquisition.

Property investment income was £52,209 (£48,346) with the continuing prospect of improved income through rental reviews. There were no land sales in the first six months and it is not expected that a contribution from this sector will be made in the second half, the directors state.

Earnings per share are stated as 1.02p against a restated 0.93p. As reported, the group subsidiary, Parkland Caravan Holidays has bought a caravan park at Manorbier, Pembrokeshire, for £200,000.

**SHARE STAKES**  
 Elson and Robbins—Mr. E. R. Keeling, chairman, has disposed of 78,000 ordinary shares.

## Lombard North starts well

THE VOLUME of new business undertaken by Lombard North Central, the leasing offshoot of National Westminster Bank, has again shown a substantial increase in the first three months of the current year over the first quarter last year, says the chairman in his annual report.

However, the prospects of continued growth in volume and profitability of the company's business depends on the general economic situation and on the level of interest rates in particular, he adds.

In January the company reported a decline in taxable profit from £27.47m to £26.39m for the year to September 30, 1979. A change in accounting policy on leasing resulted in an increase in the surplus of £8.61m (£7.77m).

**Warner Estate reinvestment policy**  
 IT REMAINS the policy of Warner Estate Holdings, property investment company, to sell residential properties whenever they become vacant and

## W. Jackson over £1m halfway

FOLLOWING THE record £2.07m in the last full year, pre-tax profits of William Jackson and Son improved from £0.95m to £1.09m for the six months to October 27, 1979. Turnover rose to £7.1m from £6.4m.

Tax for the period takes £200,000 against £250,000 giving net profits up from £896,182 to £897,436.

The company, which has

## Reliance Knitwear reduced

REFLECTING lower margins from its major customers and poor retail trade in the second quarter, pre-tax profits of Reliance Knitwear Group, garment manufacturer, from £360,000 to £228,000 in the six months to October 31, 1979.

In the last full year, profits fell from £517,370 to £530,834, seriously affected by reduced margins, bad weather and industrial disputes, but the directors stated in August that the current year had started well and first half results were expected to be good.

The interim dividend is maintained at 1.54p—last year's final was 2.149p.

## Interim rise at Deborah Services

FOLLOWING the rise to a record £1.21m for the whole of last year, taxable profits of Deborah Services have advanced from £625,000 to £746,000 for the six months ended September 30, 1979. Sales rose by 48 per cent to £9.6m against £6.5m.

On capital increased by last year's rights issue, the net interim dividend is raised to 1.1p (1p) per 5p share, payable on March 30—the final payment for 1978-79 was 2.5p.

### DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Current dividend	Total dividend	Total last year
Crest Nicholson	2.5883p	April 18	2.22	4.081p	3.72
Donald Macpherson	2.7	April 3	1.89p	4.2	3.94p
Martin Ford	1.3	April 24	1.14	2.6	2.24
Guinness Peat	2.75	March 25	2.25	5	5.25
Int. Inv. Trst. Co. Jersey	4	March 25	3.5	7.5	8
Meat Trade Supplies Int.	3.5	March 27	3.35	—	7.75
Reliance Knitwear	1.54	May 1	1.54	—	3.89
Joseph Webb	0.13	April 14	0.12p	—	0.48p
Crescent Japan Inv.	2.5	March 28	1.3	2.5	1.3
Broadstone Inv.	4.35p	April 24	4.15	6.35p	5.7

Dividends shown pence per share net except where otherwise stated.

Equivalents after allowing for scrip issues. \* Plus special 1p dividend in respect of exceptional income from Shell and Unilever.

## Guinness Peat £6.2m midway

PROFITS before tax of the Guinness Peat Group have increased substantially to £6.2m in the half-year ended October 31, 1979, compared with a depressed £1.5m in the same period last year. Sales, brokerage and fee income were higher at £265.7m against £213.5m.

The interim dividend is raised from 2.25p to 2.75p per share—the previous total was 6.25p from pre-tax profits of £7.76m.

First half profit is after non-trading interest of £3.31m (£1.62m) and central costs of £476,000 against £384,000. The interim dividend absorbs £1.51m (£1.77m).

The group trades as commodity brokers and bankers and has interests in insurance, food distribution and property. See Lex.

## M. Ford lower in second half

WITH TRADING conditions more difficult in the second six months to December 31, 1979, taxable profits of Martin Ford, ladies' wear retailer, fell from £30.7m to £20.6m for the period. The full-year's result is little changed at £1.32m, compared with £1.32m. Turnover, including VAT, reached £7.21m at the year-end, against £6.49m.

The adverse conditions are persisting into the current year and the directors say it is unlikely that last year's interim results will be achieved.

In August, when reporting first-half 1978-79 profits up 21 per cent to £0.67m, the directors were confident of further satisfactory increases in results.

Earnings per 10p share are given ahead from 3.85p to 4.15p and the dividend total is raised to 2.6p (£2.444p) net, with a final of 1.3p.

Comparative profits and earnings have been restated. Tax charge for the year was £688,558 (£706,628) and net profits rose from £805,463 to £845,794.

## OFT recommendations soon on Marsh-Bowring

THE Office of Fair Trading is expected to make its recommendations at the end of this month to the Secretary of State for Trade whether the £237m bid by Marsh and McLennan of the U.S. for C. T. Bowring, should be approved by the Monopolies and Mergers Commission.

Bowring, which is fiercely opposed to the Marsh bid, is relying on a reference to the Monopolies Commission to stymie the group's attempts to take it over.

Bowring is taking action in the U.S. through its U.S. attorneys, Davis Polk and Wardwell, and has complained to the Securities and Exchange Commission that a preliminary prospectus issued by Marsh contained "certain errors and omissions and that certain figures were misleading."

Mr. Gilbert Cooke, Bowring's managing director, said yesterday that group executives and lawyers were making their representations this week.

One of the more controversial aspects of the prospectus were details which described discussions between the two groups last September, sometime before a formal offer emerged.

The document says that "Bowring was willing to discuss the merger of Bowring with the company (Marsh). Various meetings and discussions were held concerning such a merger, and in early September, 1979, an oral tentative proposal was made by the management of the company to the management of Bowring to effect all of Bowring's outstanding ordinary shares through an exchange offer consisting solely of common stock."

The document adds: "The exchange ratio proposed at that time and based upon the then current market price of the common stock would have been 150 pence (£3.36) per outstanding ordinary share."

Brokers to the issue are Seymour Pierce and Company.

## Mid-Kent £5m issue

Underwriting arrangements have been completed for an offer, for sale by tender, of £5m 9p cent Redeemable Preference Stock 1985 by Mid-Kent Water Company. The minimum price is 82p per cent.

Tenders close on February 20. The prospectus will be published tomorrow.

As reported on January 29, group turnover for the year to September 30, 1979 fell by £2m to £2.51m and the pre-tax loss for the period more than doubled from £1.82m to £1.2m.

A geographic analysis of turnover and taxable loss discloses (£000s omitted): UK and

SPAIN	Price	+	-
February 12			
Banco Bilbao	21	-	-
Banco Central	226	+4	
Banco Exterior	211		
Banco Hispano	214	+3	
Banco Ind. Cat.	185		
Banco Madrid	170		
Banco Santander	245		
Banco Urquijo	163		
Banco Vizcaya	226		
Banco Zaragoza	200		
Dragados	103		
Espanola Zine	82		
Facies	55.4	-1.0	
Gel. Petroleros	35	-	
Industria	80.5	-0.5	
Industria	80.7	+0.7	
Petroleros	115.7	-1.3	
Petroleros	112		
Sociedad	116		
Telefonos	55.2	+1.2	
Union Electric	64		

## You look after your company, who's looking after you?



The Golden Eagle, probably the world's best known large eagle. This is the eagle incorporated in the Eagle Star motif to symbolize strength and protection.

If you're a controlling director or senior executive it's not enough to get a good salary and a company car. You're missing out something vital. You need to take steps to provide security for your dependants now and which secure a full package of benefits to protect your standard of living when you retire. That means taking out an Eagle Star Executive Pension Plan. It enables your company to put pre-tax profits to work on your behalf and provide you with substantial benefits. Eagle Star were pioneers in pension planning. No-one knows more about it than we do. Together we can ensure that you get the best deal possible. Ask your broker or professional adviser for details of our Executive Pension Plan; or contact your local Eagle Star branch.

**Eagle Star**  
 for your protection

**NEW RECORD BONUS**

## Macpherson exceeds £4.8m on good results all round

WITH ALL operating divisions performing well, Donald Macpherson Group lifted taxable profits in the year to the end of October 1979 by 34.6 per cent from £4.06m to a record £4.54m. Of this £2.52m, against £2.24m, came in the second half.

Sales by the manufacturer of paint and other surface coatings were 15.2 per cent higher at £79.9m. The previous year's sales, after a 1.5 per cent increase, were £78.2m. The group's turnover was £82.8m and overseas turnover reached £24.4m (£24.9m).

When reporting a mid-year profits advance to £2.03m, the company had said it was confident of further improvement for the full year.

The prospects for the British economy make it difficult to be optimistic for the current year, says Mr. Rex Chester, the chairman. However, he adds, the Board is confident that, in view of its profits growth over the past five years, the company will achieve good performance for 1979-80 in the prevailing economic circumstances.

Trading profit for 1978-79 was £2.52m ahead at £5.51m before £768,000 (£877,000) interest charges.

Tax of £1.19m (£774,000) left stated earnings per 25p share of 21.4p (£22.9p), or 12p (£22.9p) fully charged, on capital increased by the March rights issue, from 19.5p to 21.4p. The net profit was a near 10 per cent increase on £4.06m (£3.79m) in the year to the end of October 1978.

The attributable balance was £4.4m (£3.38m) of which dividends absorbed £761,000 (£628,000) leaving retained surplus at £3.64m (£2.76m).

Mr. Chester states that at home industrial coatings, trade sales and overseas production, notably higher profits. Cover Plus, the brand sold to Winkworth, also performed well but did not quite make up the ground lost through the transport drivers' strike in the important second quarter.

Overseas manufacturing operations in Borneo, Malaysia, Thailand, Trinidad and Holland, meanwhile, improved their overall contribution to group profits.

**Comment**  
 The market was delighted with Donald Macpherson's full-year profits rise of almost a fifth.

Against a background of difficult trading conditions, the results—roughly in line with Broadstone's performance for a similar period—confirm that the smaller paint manufacturers have the edge over their larger competitors. In Macpherson's case, the annual growth rate has averaged an impressive 35 per cent over the past five years. During this period, the company has been reluctant to the home improvement sector, which now accounts for about a quarter of Macpherson's sales. In the latest financial year, the main spur to growth was a near 10 per cent jump in trade sales, reflecting a useful gain in market share. Underlying growth might be difficult to achieve in the current year but following the decreasing exercise and the recent rights issue, there is plenty of scope to mop up a few acquisitions when the time is ripe. Fully-taxed, the p/e is 7.4 while the yield is 6.4 per cent—a rating partly supported by the strong links with F. W. Woolworth (nearly a fifth of all sales).

## Ash & Lacy chief headhunted as British Dredging chairman

BY REG VAUGHAN

British Dredging, the troubled marine-dredging and sand and gravel group, has appointed Mr. Alan Vernon as its new independent chairman to replace Mr. Bryan Clark who is stepping down in accordance with his statement at last August's AGM.

Mr. Vernon, who yesterday said that he had been "head hunted" for the job, is chairman and chief executive of Ash and Lacy, the Smithwick engineering group, where he will remain chairman on a part-time basis.

An attempt was made at last year's AGM to dismiss Mr. Clark but this failed narrowly on a vote after he issued a surprise resignation statement. The move to oust Mr. Clark was led by Mr. Moyny Bowles, a non-executive director and a former chairman of the original family-owned company, amid allegations of mismanagement.

Mr. Clark said at the time that he would stand down as soon as an independent chairman acceptable to both sides in the wrangle could be found. Mr. Vernon has been appointed with the unanimous support of the board. Mr. Clark will remain as chief executive and becomes deputy chairman.

Mr. Vernon yesterday described his appointment as an "interesting challenge." He said that a prime objective would be to restore the group's profits and reputation and a first step towards this would be to achieve a united board.

Mr. Vernon said that British Dredging had considerable assets, and he would be taking a hard look at the company in the next few weeks. The problem areas had been dealt with and he would continue the process of consolidation.

Following a first half 1979 loss, due to bad weather and losses in the engineering division, the

group operated profitably in the second half. A profit has already been reported for the full year and the company said consideration would be given to paying a dividend—the first since 1976.

The Cardiff-based group turned in record profits of £1m in 1978-79 but has made losses in the past five years.

At Ash & Lacy Mr. David Fletcher, formerly on the boards of Babcock and Wilcox and ICI, is to take over as managing director. Mr. Vernon said that he planned to spend about one day a week at Ash and Lacy.

## Upsurge at Cadbury (S. Africa)

A RISE of nearly 80 per cent in pre-tax profit is announced by Cadbury Schweppes (South Africa) in its preliminary figures for 1979.

Profits rose to R4.8m from R2.72m, the previous year, on turnover up to R36.6m from R31.47m.

The results, covering the 52 weeks to December 29, show net profit at R3.32m (R1.78m). Stated earnings per share rose from R35.20 to R65.60.

The directors have declared a final dividend of 15 cents per share making a total of 23 cents for the year, compared with 14 cents in 1978.

Mr. C. Cilliers, chairman, says all sections of the business improved profits considerably. Both Cadbury and Schweppes increased volume sales and the confectionery division enjoyed benefits from past capital expenditure.

## Meat Trade Suppliers upsurge

TAXABLE PROFITS of Meat Trade Suppliers advanced from £134,732 to £200,670 for the six months to September 30, 1979, on turnover of £3.99m, against £4.39m.

After tax of £102,952 (£69,403) net profits rose by £32,363 to £97,718.

The net interim dividend is stepped up from 3.35p to 3.5p per share, absorbing £55,555 (£52,748) after warpers of £20,280 (£25,135). Last year's total payment was 1.725p on £24.106 profits.

The group's principal activities are dealing in sausage casings, wholesale meat and butchers' sundries.

## First dividend by Swansea Sound is 14p

Swansea Sound is to pay its shareholders their first dividend five years after the commercial radio station was launched.

The company increased its trading profit from £74,712 to £87,436, the 12 months to September 30, 1979. Shareholders will receive 14p per 1p share.

## Crescent Japan advances

PROFIT OF Crescent Japan Investment Trust showed a substantial increase in the year to December 31, 1979, rising from £138,728 to £246,206, after a higher tax charge of £266,723, against £150,285.

The net dividend is almost doubled from 5p to 2.5p. Stated earnings per 50p share are 3.79p (£2.21p).

## Statement expected from Delson

Delson, the Birmingham-based nut and bolt manufacturer which requested a share suspension last Friday, is expected to issue a statement before the annual meeting on February 22.

At the suspension price of 31p the company is capitalised at £775,000. Major shareholders in the company are Glynwed with 7.6 per cent and Cashmore with 5 per cent of the equity.

## Broadstone paying more

Revenue of Broadstone Investment Trust in 1979 rose from £1.22m to a record £1.65m before tax of £591,062, against £448,618. Including non-recurring income from Shell and Unilever of 1.09p, stated earnings per 20p share were ahead by 1.3p at 7.68p.

The net total dividend is raised to 7.38p (6.7p) by a 4.35p final plus a 1p special payment in respect of the exceptional income. Net asset value at year-end was lower at 194p (201.4p).



## NEWS ANALYSIS: GOLD FIELDS

## Why mine it when you can buy it?

BY PAUL CHEESBRIGHT

Consolidated Gold Fields has been vulnerable to a raid on its shares. The last annual report showed that no shareholder had an interest of 5 per cent or more in the group. During the recession years this was a matter of little consequence. There were few who were interested in building up a stake in a natural resources group with a predilection for rights issues, and only moderate earnings and dividends.

But as metal prices came off the floor and the group posted net profits by 63 per cent to a record £86.2m in the year to June, it became clear that Gold Fields was finally gaining the benefits of investments and operations in very valuable properties.

Most notably the group's earnings were being pushed higher by its gold interests, held partly through a 46 per cent stake in Gold Fields of South Africa, but also embracing direct stakes in a number of the largest South African mines.

There is a 25 per cent holding in De Beers, 10 per cent each of Driefontein, East Driefontein and West Driefontein, and 9 per cent of Kloof. Through Amey Roadstone, the group has a major stake in the European construction materials industry. It has diversified into specialist manufacturing with ownership of companies like Alunzac, the UK aluminium products supplier. Through Azcon in the U.S., it is involved in steel production and distribution.

The group has built up a substantial mining presence in Australia through the 70 per cent owned Consolidated Gold Fields Australia: a controlling stake in that country's biggest

tin producer, Renison, not to speak of a major interest in beach sands through Associated Minerals Consolidated, and holdings in iron ore through Mount Goldworthy and in copper through Mount Lyell.

Within South Africa the group is involved in expansion not only through the new De Beers gold mine but also because of its indirect stake in the major base metals development at Black Mountain in the northern Cape.

In total, Gold Fields' net assets are worth between £200 and £300m, depending on the computation. Yesterday De Beers was buying shares at 615p.

Over the last 10 weeks De Beers has probably spent over £150m in buying for itself and its associate, Anglo American Corporation, a 25 per cent stake. Although this gives them an added interest in established mines at a time when capital costs are rising fast for new ventures and a bigger foothold in Australia and the U.S., the investment looks expensive.

If Gold Fields pays dividends of 50p gross a share for the year to June, then the De Beers/Anglo portion would be no less than £10m, a smaller rate of return than a mining group would normally expect.

And, if De Beers/Anglo holds to its undertaking not to seek control or management changes at Gold Fields, then the flow of income from Gold Fields remains outside its control.

All of this suggests that while De Beers/Anglo may well have been looking for safe and long-term investments, the stalking of Gold Fields had other and perhaps more important motives. Such motives are to be found in the structure of the South African mining industry and the

political implications of that structure.

Anglo's position of dominant power in the industry has in recent years declined relative to the rise of General Mining, representing Afrikaner financial interests. For General Mining to gain direct or indirect control of Gold Fields of South Africa, after drawing Union Corporation into its web would have been a prize indeed.

It is believed that General Mining was buying shares in Consolidated Gold Fields last October, as a means of winning this prize. Anglo/De Beers also seems to have started buying in October, and it is a fair supposition that the buying was a defensive measure against General Mining.

General Mining and those behind it are close to the South African Government. Any movement of the Government to the right could put De Beers/Anglo in a difficult position. Concern—under pressure while leaving General Mining untouched. It could have been worth Anglo's while to head off the possibility of this pressure by making certain that Gold Fields remains a separate entity.

But oddly, Anglo's stake in Gold Fields could eventually make life easier for both itself and General Mining in the Chamber of Mines, the governing body of the South African industry.

GFSA is known to be the most conservative of the mining houses, less keen to move on questions of African advancement than Anglo and General Mining. Anglo's stake could be a spur to a more liberal attitude at GFSA when, in South Africa, liberalism has nearly coincided with the need for higher African productivity.

## UK COMPANY NEWS

## BIDS AND DEALS

## Lebanese reject Armitage terms

BY ANDREW FISHER

The Lebanese-owned Ceramics Investments, the largest shareholder in Armitage Shaiks, has come out firmly against the £33m bid from Blue Circle Industries, but does not intend to make an offer of its own.

Ceramics, controlled by the Gargour family interests, owns just over 25 per cent of the shares in Armitage, which is Britain's last major independent manufacturer of sanitary ware.

Blue Circle's offer was originally worth around £28m, or nearly 90p a share when the terms were announced late last month. But the bidder's share price has come up in the last two weeks to value the bid at around 105p.

Ceramics has made no secret of its belief that the terms were too low and undervalued Armitage's potential, but earlier left open the possibility of a cash bid by the Gargour group. Yesterday, however, Mr. Keith Hamer, a director of MEA Investments which advises Gargour, said: "We are not making an offer at this time."

Ceramics still thought the terms too low, he added, and "we are not accepting in the present circumstances."

He mentioned the hope that either Blue Circle, which will be sending Armitage shareholders another letter on its bid today, would raise its bid, or that a counter-bidder would emerge.

Mr. John Milne, Blue Circle's managing director, said the group had no present intention of bidding more, though it would have to review this if a

third party entered the scene. "As things stand, we will stay where we are."

As well as being the largest holder of ceramics in the Middle East through Lecico, Gargour's interests also cover shipping, insurance, commodities, trading, real estate and tourism.

One member of the family, Mr. Gilbert Gargour, is chairman of Ceramics' London advisers, MEA. The Gargour group operates chiefly in the Middle East, but also has interests in the UK and France.

## Burns Philp buys more Hoffnung shares

Burns Philp, the Australian group which has launched a £15.9m cash bid for S. Hoffnung, has acquired 620,000 shares in Hoffnung, through the market.

The price paid for the 3.52 per cent stake matched the 80p share offer price, although vendors will retain the declared interim dividend of 1.485p net per share payable on April 9.

The shares were unchanged yesterday at 89p ahead of the expected publication of a formal defence document.

Advocated by Hill Samuel, Hoffnung again called on shareholders to take no action and pointed out that it considered the proposed offer to be "unacceptable and wholly inadequate."

The sharp rise in the latest surplus on realisation of investments is largely accounted for by the sale, previously announced, of the wholly-owned Barnato Brothers subsidiary.

• comment

"Johnnies" makes the usual caveat that the latest earnings will not necessarily be repeated in the current half year because investment income does not accrue evenly throughout the year and, of course, sharedealing profits fluctuate. Even so, there seems little doubt that current half earnings should match those

of the first half. There should thus be a good increase in the total distribution for the year to at least 350 cents compared with 255 cents for 1978-79. Meanwhile, the share price at 834 compares with a net asset value that has risen to £107, or £56.80 per share.

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## MINING NEWS

## 'Johnnies' earns more in first half

BY KENNETH MARSTON, MINING EDITOR

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## Finland group copper mine in Philippines

A CONSORTIUM of Finnish mining companies led by Outokumpu Oy has been awarded a U.S.\$76m (£40.4m) turnkey contract for the construction of an open-pit copper mine and processing facilities in Davao, southern Philippines, reports our Manila correspondent.

The project, owned by North Davao Mining, is expected to cost \$141m including the development of roads and the installation of power transmission lines.

Other members of the consortium are Rauma-Repola Oy which will provide the grinding mills and Kone Oy which will provide the crushing and conveying facilities.

The Outokumpu consortium's project is the first of the expected series of Finland's mining ventures in the Philippines. A top-level group from Finmmiers, the umbrella organisation of the Finnish mining industry, is currently in the Philippines to conduct negotiations with local companies.

Of the total cost of the North Davao mining project, \$119m will be raised through foreign loans and the rest will be met by the local company's equity.

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## Companies and Markets

## INTERNATIONAL COMPANIES and FINANCE

## NORTH AMERICAN NEWS

## Mitsubishi finance deal for Chrysler

BY IAN HARGREAVES IN NEW YORK

MITSUBISHI MOTORS of Japan has agreed to finance for the next two months its imports of cars to the U.S. handled by the Chrysler Corporation.

The move is designed to give Chrysler breathing space in which the struggling number three U.S. carmaker hopes to renegotiate letter of credit arrangements with a syndicate of Japanese banks to cover the imports.

These letters of credit were withdrawn last September when Chrysler's financial problems led it to break the terms of the loans. Since then, Chrysler and Mitsubishi have muddled through with a series of temporary financing mechanisms.

Last year, Chrysler's 185,000

Mitsubishi imports accounted for over 16 per cent of Chrysler's total U.S. car sales and allowed the company to boost significantly its market range in the crucial high mileage, small car sector. The vehicles are sold under the Chrysler Plymouth and Dodge marque.

A lengthy joint statement from the two companies yesterday, however, steered clear of commitments about the longer term relationship between Chrysler and Mitsubishi, in which the American company has an equity stake.

Mitsubishi is known to have been exploring for some time alternative dealer network for its vehicles, which Japanese

officials have suggested are not being pushed as strongly as they ought to be.

Mitsubishi did confirm, however, that it intends to go ahead with production of 200,000 four cylinder 2.6 litre engines for Chrysler's K-car economy vehicle series, which is due to be unveiled this autumn.

Meanwhile pressure on the Japanese motor industry to make direct investment in the U.S. is stepping up on all sides.

Earlier this week, the Japanese Government formally told Nissan and Toyota, the two largest companies, that it wanted them to look seriously at investing in the U.S.

Mr. Douglas Fraser, president of the United Autoworkers

Union meanwhile, is in Japan meeting Government and car industry officials. He is spreading the word about his union's intention to seek protectionist controls against importers who do not include a certain percentage of U.S.-made parts in their vehicles.

Ford Motor, also appears to be developing a harder line on the imports question. Mr. William O. Bourke, a Ford executive vice president told a dealers' conference in New Orleans that he supported the union's initiative to curb Japanese imports.

Last year, car imports took 21.5 per cent of U.S. car sales. In January, the figure rose to 26 per cent.

## Bank of Montreal to raise C\$164m

By Our Financial Staff

BANK OF MONTREAL, Canada's second largest chartered bank in terms of assets, plans to raise C\$164m through a one-for-seven rights issue.

The share offer, which is priced at C\$23.50 compared to C\$27 in the market yesterday, will provide the bank with new funds equal to something like an eighth of its current stock market capitalisation.

The bank last raised capital by way of rights in the autumn of 1978 when shareholders put up C\$122m in new funds. At October 31, 1979, total assets were C\$38.3bn, while deposits amounted to C\$33.7bn. Net profits for the year were C\$22.8m, up from C\$20.8m in 1978.

Explaining the background to the funding, Mr. William Mulholland, chief executive, said yesterday that the new funds would be used to expand the bank's equity base. This would enable the bank to "meet the equity requirements of the heavy capital demands expected in Canada over the next few years."

Early last year Bank of Montreal failed to buy itself a toehold in the U.S. retail banking market when agreement on the purchase of 89 branches (\$100 of banking assets) belonging to Bankers Trust foundered.

Reliance pulls out of Penn Central

By David Lascelles in New York

RELIANCE GROUP, the diversified insurance concern headed by Mr. Sam Steinberg, has sold to Penn Central the 1.8m shares in the company which it accumulated over the past few months.

This sale is put to an end Reliance's supposed attempt to take over Penn Central, which is the reorganised remains of the large railroad company which went bankrupt nine years ago. Today, it has interests in amusement parks, property and energy. It recently bought Marathon Manufacturing, the large oil rig maker.

Profits slip at Federal-Mogul

By Our Financial Staff

A DOWNTURN in earnings in the final quarter of 1979 at Federal-Mogul, manufacturer of bearings for trucks, motor cars and farm equipment, is likely to continue into the first quarter of this year, says the Board. But subsequent quarters will improve and the group expects 1980 results to be reasonably close to the record \$42.1m or \$3.11 per share of 1979, compared with \$36.8m or \$2.83 in the previous year.

In the final quarter, earnings slipped from \$9m or 70 cents a share to \$8.1m or 65 cents, with sales at \$168.2m against \$147.3m.

## Dome purchases Kaiser Resources oil interests

BY OUR NEW YORK STAFF

DOMESTIC PETROLEUM, a rapidly growing Vancouver-based oil and gas company, is to pay \$700m for most of the Canadian oil and gas interests of Kaiser Resources. The move will also have the effect of injecting much needed cash into the struggling Kaiser Steel Company of California.

Kaiser Steel, which owns 32.5 per cent of Kaiser Resources, is involved in the deal because Kaiser Resources said that it would follow up the sale to Dome with an offer to buy 9m of its own shares at \$43 per share.

Kaiser Steel immediately made it known that it would tender all of its shares for sale, but because the share purchase offer is pro rata against the company's entire issue of common stock, it is possible that Kaiser Steel will not be able to sell its entire holding.

The second most important group of Kaiser Resources shareholders, comprising nine Japanese steel companies, has indicated, however, that it does not wish to sell its 27 per cent stake.

At the offer price, Kaiser's holding is worth \$374m. The deal is to a large extent an internal shuffle, as Mr. Edgar Kaiser, who has been head of Kaiser Resources since 1973, was last August elected chairman of Kaiser Steel in succession to his father.

Shortly after that Mr. Kaiser launched an attempt to sell much of the steel company to Nippon KK of Japan, but the Japanese were apparently scared away by the scale of Kaiser's problems, which have resulted in 13 successive quarterly losses.

Kaiser's steel operations lost \$39m last year and there has been speculation in Wall Street that Mr. Kaiser's real intention is to liquidate Kaiser Steel.

The company said yesterday that it would use its new funds for "general corporate purposes" and "wherever the money could obtain the greatest return."

Dome Petroleum will receive from Kaiser Resources assets currently producing 25,000 barrels of crude oil and 77m cubic feet of natural gas per day. In addition the company will take over certain oil and gas rights.

Kaiser Resources is retaining its interests in the Sabie Island and Beaufort Sea oil and gas exploration, as well as its big coal activities in Canada, oil interests in the U.S. and a 7.7 per cent stake in the Brae Field in the North Sea.

Last year Kaiser Resources earned \$61.7m on sales of \$484m. It said that \$32.5m of the proceeds of the sale to Dome would go to pay off debt, leaving a \$29m after-tax gain.

## Poor first quarter for Mayer

BY OUR FINANCIAL STAFF

OSCAR MAYER, the meat products group, has made a poor start to the current fiscal year with earnings for the first quarter slipping from a comparative \$12.1m or 76 cents a share to \$11.52m or 72 cents a share. In contrast, sales increased by 11 per cent, from \$368m to \$401.1m.

The latest figures, which take in the results of Louis Rich, acquired on December 20, 1979, exclude an extraordinary loss of \$17.5m or 11 cents a share from early settlement of Louis Rich debt. They do include, however, unrealised gains from foreign currency translation of \$1.99m, against \$506,000 in 1979, and take in a loss of 5 cents a share or \$8m from the LIFO method of valuing inventories.

Oscar Mayer said its operating earnings, before currency gains and the pooling of Rich, fell 8 per cent in the quarter to 66 cents a share.

International operations were 1.6m less than a year ago, mainly due to a weakening of the Japanese yen. Its Japanese affiliate had almost unchanged earnings in yen, but lost \$1.6m in currency translation.

The Spanish subsidiary had a small loss compared with a significant loss a year ago, and the Venezuelan meat subsidiary had higher profits.

Domestic diversified companies had better results than in 1979, and sales of branded identified processed meats rose 3.5 per cent. Fresh meat sales fell 1.1 per cent.

Pooling of Louis Rich results diluted income by 3 cents a share. Rich contributed sales of \$39.7m and a net loss of \$99,000 for the first quarter, compared with \$36.7m and a \$1.14m profit for the same quarter a year before.

Oscar Mayer said, however, that it is optimistic about the contribution Rich will make to net income in the future. The group added that its food service division continued to grow and it expects total food service sales to rise significantly.

## Strong growth at W. R. Grace

BY OUR NEW YORK STAFF

W. R. GRACE, the New York-based chemicals, energy and foods group, increased net profits by 33 per cent last year to \$222.6m, helped by strong growth in demand for its agricultural fertilisers and continued healthy performance in its large special chemicals division. Sales increased by 18 per cent to \$5.26bn.

Grace's natural resources operations in oil and gas also made "outstanding gains" in the year, the company said.

In the final quarter, net income was up 66 per cent to \$63.9m on sales 20 per cent higher at \$1.47bn. Excluding accounting changes and divestments in the final quarters of both 1978 and 1979, however, the increase was 43 per cent.

Special chemicals accounted for over half of the company's earnings. Restaurant interests and some other consumer activities, however, were less profitable last year than in 1978.

Foreign currency translation and divestments did not have a significant effect on 1979 results, but had a favourable net effect of \$6.1m in 1979. Excluding these factors from both 1979 and 1978, net income was \$216.5m or \$4.88 a share in 1979, against \$170.9m or \$3.88 in 1978.

In the fourth quarter of 1979, excluding the effect of FASB No. 8 and divestments from both fourth quarters, per share earnings were \$1.39 against \$7 cents.

## Silver price rise hits Kodak

BY OUR NEW YORK STAFF

KODAK, the U.S. photographic giant, reported reduced fourth quarter earnings mainly as a result of the soaring cost of silver. But the company said that it was determined to protect its earnings until better economic conditions arise and substitutes for silver are found.

Earnings for the quarter were \$294.7m, or \$1.82 per share, down 11 per cent on the \$331.4m, or \$2.05, earned in 1979. But sales increased from \$73.9m to \$75.5m.

Kodak did not say how much its silver costs had risen, but it listed the cost of its goods sold as \$1.63bn in the quarter, up from the previous year's \$1.28bn.

Kodak's full-year earnings were \$1bn, up from \$902m earned in 1978. Earnings from the company's photographic segment were \$740m, up from \$700m in 1978. Total sales were \$803m, up from \$701m in the previous year.

Mr. Walter Fallon, the chairman, described the past year as one of "unusual challenges."

## AMERICAN QUARTERLIES

BURUNDY CORPORATION

	1979	1978
Fourth quarter	\$	\$
Revenue	61.9m	49.3m
Net profits	5.91m	4.18m
Net per share	0.90	0.67
Year		
Revenue	229.8m	180.6m
Net profits	21.4m	15.4m
Net per share	3.44	2.40

CAPITAL CITIES

	1979	1978
Fourth quarter	\$	\$
Revenue	115.1m	101.6m
Net profits	18.84m	14.83m
Net per share	1.39	1.06
Year		
Revenue	414.9m	367.5m
Net profits	63.7m	54.0m
Net per share	4.38	3.80

CENTEX

	1979	1978
Fourth quarter	\$	\$
Revenue	229.8m	222.2m
Net profits	9.19m	7.56m
Net per share	0.78	0.67
Year		
Revenue	770.2m	636.0m
Net profits	160.0m	118.9m
Net per share	2.20	1.64

KERR-MCGEE CORPORATION

	1979	1978
Fourth quarter	\$	\$
Revenue	775.5m	543.5m
Net profits	40.35m	40.0m
Net per share	1.56	1.56
Year		
Revenue	2,770m	2,131m
Net profits	160.0m	118.9m
Net per share	2.20	1.64

KROGER

	1979	1978
Fourth quarter	\$	\$
Revenue	2,250m	1,980m
Net profits	27.74m	30.09m
Net per share	1.01	1.11
Year		
Revenue	9,020m	7,830m
Net profits	86.72m	84.59m
Net per share	3.13	3.11

NEW YORK TIMES

	1979	1978
Fourth quarter	\$	\$
Revenue	184.1m	115.2m
Net profits	11.6m	2.5m
Net per share	0.97	0.21
Year		
Revenue	653.1m	490.6m
Net profits	38.4m	15.6m
Net per share	3.05	1.22

A. H. ROBINS

	1979	1978
Fourth quarter	\$	\$
Revenue	107.2m	85.5m
Net profits	22.78m	5.54m
Net per share	0.57	0.22
Year		
Revenue	386.4m	357.1m
Net profits	44.75m	29.22m
Net per share	1.71	1.15

TEXAS GAS TRANSMISSION

	1979	1978
Fourth quarter	\$	\$
Revenue	40.1m	34.0m
Net profits	23.42m	11.64m
Net per share	0.86	0.40
Year		
Revenue	1,635m	1,506m
Net profits	68.45m	10.89m
Net per share	2.65	0.40

TRANSOIL COMPANIES

	1979	1978
Fourth quarter	\$	\$
Revenue	468.9m	283.8m
Net profits	22.4m	13.3m
Net per share	0.97	0.58
Year		
Revenue	1,560m	953.8m
Net profits	68.45m	10.89m
Net per share	2.65	0.40

WILLIAMS COS.

	1979	1978
Fourth quarter	\$	\$
Revenue	40.1m	34.0m
Net profits	23.42m	11.64m
Net per share	0.86	0.40
Year		
Revenue	1,635m	1,506m
Net profits	68.45m	10.89m
Net per share	2.65	0.40

WILLIAMS COS.

	1979	1978
Fourth quarter	\$	\$
Revenue	40.1m	34.0m
Net profits	23.42m	11.64m
Net per share	0.86	0.40
Year		
Revenue	1,635m	1,506m
Net profits	68.45m	10.89m
Net per share	2.65	0.40

WILLIAMS COS.

	1979	1978
Fourth quarter	\$	\$
Revenue	40.1m	34.0m
Net profits	23.42m	11.64m
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## Companies and Markets

## SVENSKA HANDELSBANKEN

## Dividend lifted as earnings increase

BY VICTOR KAYETZ IN STOCKHOLM

SVENSKA HANDELSBANKEN reports a 17 per cent rise in pre-tax profits for banking operations to SKr 950m (\$229m) in 1979. This compares with a forecast that earnings would be only "somewhat higher" than in 1978 due to the increase in the Swedish discount rate and the tough competition for deposits last July.

The bank recommends raising the dividend by SKr 0.60 to SKr 4.30 per share. Income rose 13 per cent to SKr 1.89bn, including 15 per cent increase in net interest earnings and a 3 per cent rise in commissions. Costs were up only 9 per cent to SKr 944m.

A regulation requires Swedish banks to include historically calculated losses on lending among operating costs

in 1979. The previously published 1978 earnings figure of SKr 835m has accordingly been adjusted down to SKr 815m. SEB's competitor Skandi-naviska Enskilda Banken (SEB) recently reported 1979 earnings for banking operations of SKr 850m, higher than in 1978 at SKr 850m, thereby falling short of a predicted 10 per cent improvement. SEB's income rose 9 per cent but costs were up nearly 10 per cent.

SEB's report states that its total deposits rose 7.8 per cent to SKr 28.7bn. SEB's share of Swedish commercial bank deposits dropped 0.3 points to 20.5 per cent.

On the other hand, SEB's lending was up more than 16 per cent in 1979 to SKr 29.6bn,

a 0.3 per cent increase in market share to 23.5 per cent.

After extraordinary items, appropriations that include a very large SKr 500m allocation to the reserve for bonds — up from SKr 40m for 1978 — and after taxes, SEB has a net profit in 1979 of SKr 161m, down from SKr 190m.

The SEB group, including real estate, finance and credit subsidiaries and a Luxembourg-based bank, reports a 15.5 per cent increase in pre-tax earnings to SKr 1.1bn and a balance sheet which rose 15 per cent to SKr 87.2bn.

Paypax, the Swedish pulp, paper and timber group reports a 1979 pre-tax profit of SKr 178m (\$43m) on sales of SKr 2,066m. This comfortably exceeds the October forecast

that September-December earnings would only be "a somewhat higher level" than the average for each of the preceding four months. January-August earnings were SKr 31m.

The board proposes a dividend of SKr 6 per share for a total payment of SKr 35m. The preceding dividend, SKr 3, was for the eight-month period May-December 1978, when pre-tax profit was SKr 43m on turnover of SKr 1.2bn.

The 1979 earnings includes stock gains of SKr 29m whereas the corresponding figure for May-December 1978 was zero. Extraordinary items for 1979 included gains of SKr 106m on sales of real property against SKr 13m in the final eight months of the preceding year.

## Shipping and leasing lift Nordic Bank profit

By Michael Lafferty

NORDIC BANK, the consortium bank owned by four Scandinavian banks, reports that business during 1979 was satisfactory in all divisions. By far the largest contribution to the bank's \$10m pre-tax profit comes from general banking activities but the most profitable was shipping, representing about 18 per cent of lending, and leasing. The results this year include a full consolidation of the new Swiss subsidiary, Nordnordbank Zurich, on a UK accounting basis. On a comparable basis, 1979 pre-tax profits, originally reported at \$3.2m, would probably be about \$5m.

During the year loans repayable in less than one year declined by 1 per cent, while total lending increased by 14 per cent. Nevertheless the average maturity has only increased from 2 1/2 to 2 3/4 years.

In order to cover the exchange risk on the Swiss bank acquisition Nordic arranged two medium-term Swiss franc loans for a total of \$26.7m during the year.

Total capital funds now stand at \$135.4m, against \$96.6m last year. This includes equity and minority interests of \$70m and loan capital of \$65.4m, of which \$30.5m is subordinated. Total lending amounts to \$77m and Nordic is related about the Bank of England's proposed capital adequacy rules.

The bank also says that its limits on open foreign exchange positions are in line with those put forward in a Bank of England paper recently sent to the British Bankers Association.

Rabobank setback

Centrale Rabobank reduced the amount of its bond issue by \$120m to \$180m (\$41.88m) when subscriptions closed yesterday. The issue, over ten years on a coupon of 10 1/2 per cent and priced at par, is the latest casualty on the Amsterdam capital market following several weeks of marked price weakness.

A comparison of West Berlin and West German companies shows that Berlin companies could boast a return on investment, including write offs, of 13.6 per cent, compared with 10.3 per cent for West German companies.

West Berlin also provides a rebate of 25 per cent for machinery invested at the end of the year with the remainder financed the same way as with buildings. As much as 75 per cent of the total investment may be written off in the first year, or later.

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## BSN moves back into the ice cream industry

BY DAVID WHITE IN PARIS

FRENCH FOOD group BSN-Gervais-Danone, has made the first of its expected investments in the sector by staging a comeback in the ice-cream industry.

The group announced deals which give it control of two companies, Frigecreme in Nantes in Western France and Guerraz-Nouki, based in Haute Savoie.

It has agreed to buy two thirds of the capital of Frigecreme from Nouvelles Galeries, which took over the ice-cream maker last year. It is expected to absorb the remainder of the capital later, in a deal valued at between FFr 40m and FFr 50m (\$10m to \$12.5m).

Together with the takeover of the smaller Guerraz-Nouki, in which it bought a 45 per cent stake in 1978, the move is expected to bring additional sales of FFr 300m to the BSN-Gervais-Danone Group. Beside ice-cream, Guerraz-Nouki also makes deep-frozen products.

The acquisitions take up one fraction of the \$120m which BSN-Gervais-Danone has to spend after the sale of its oil glass interests outside France

to Pilkington. Others of the UK last September. But they could be coming a bigger force in the industry, where its main interests so far have been dairy products and beer.

The deals give it an important stake in the French ice-cream business, of some years ago dropped its 15 per cent interest in France-Glaces, controlled by Nestle. It ceded its Gervais trade-mark for ice-cream at the same time.

It is the largest industrial company in France, has increased sales by more than a fifth in 1979 to FFr 33.8bn (\$8.45bn) from FFr 27.7bn.

The company's metals divisions continue to account for the largest portion of group sales, contributing FFr 14.7bn to the total against FFr 11.8bn in 1978. Chemicals moved ahead to FFr 5.9bn from FFr 4.9bn, while light industry moved up to FFr 7.3bn from FFr 5.9bn.

PUK is the largest aluminium producer in Europe, and last year sales of technology abroad increased to FFr 5.9bn from FFr 5bn.

The company paid a net dividend of FFr 11 for 1978 followed by a one-for-ten scrip in the

course of last year. Consolidated net earnings rose to FFr 369.3m (\$92.32m) from FFr 325.4m in 1977 and consolidated sales advanced to FFr 7.3bn from FFr 6.9bn.

Yesterday the parent company reported a rise of 16 per cent in 1979 sales to FFr 2.81bn. Agencies

Air Liquide expansion

PARIS — Societe l'Air Liquide, a leading producer of industrial gases, expects to post a 15 per cent increase in sales and earnings for 1980 and expects to pay a "normal" dividend.

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Air Liquide expansion

## Berlin plant for Tetra Pak

BY LESLIE COLLITT IN BERLIN

THE WEST GERMAN subsidiary of Tetra Pak, the Swedish company, has chosen West Berlin as the site for a new DM 100m (\$57.5m) factory. The new plant will produce DM 100m worth of milk and fruit juice cartons annually for the West German market. Tetra Pak claims to be the leading manufacturer of cartons outside the U.S., with production in 15 factories.

The Berlin investment is the second substantial one this year for the city. Ford announced last month that it is to build a DM 130m plant in West Berlin to produce plastic components for its cars.

In both cases, West Berlin's investment incentives, unequalled in Germany, were decisive in attracting the companies to the city which lies 110 miles inside East Germany.

Herr Gunther Lueddecke, head of the German Tetra Pak group, said that in a situation in which competition is intensifying, further rationalisation is impossible and only small price increases can be implemented. "The most economic location is decisive for improving profitability," he said.

The company said that West Berlin was an ideal location, because it is equidistant from the company's main markets in West Germany. In addition, important raw materials (paper) will come from Scandinavia and Berlin's location, adjacent to the new East German autobahn to the North, is also said to be an advantage.

The first stage of the carton factory is to be completed by May, 1981, and full production should be reached in 1983. Although Tetra Pak has not released financial details, they

are thought to be similar to those of Ford, under which the site of Berlin purchased the site for the Ford plant and gave the company a long-term lease.

In new investment such as Tetra Pak's the city also reimburses 12.5 per cent of building costs within four months of the calendar year in which they are invested. European recovery programme loans are available for 44 per cent of the building costs at 3.5 per cent for up to 14 years with the rest provided by the city at 1.5 per cent below prime rate for up to seven years.

West Berlin also provides a rebate of 25 per cent for machinery invested at the end of the year with the remainder financed the same way as with buildings. As much as 75 per cent of the total investment may be written off in the first year, or later.

A comparison of West Berlin and West German companies shows that Berlin companies could boast a return on investment, including write offs, of 13.6 per cent, compared with 10.3 per cent for West German companies.

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## Austrian camera industry

## Faulty strategy hampers Eumig

BY PAUL LENDVAY IN VIENNA

EUMIG, ONCE the international showcase of the Austrian camera industry, has degenerated into a fragmented system of production — prompted in part by state and local authority investment subsidies for depressed areas.

Thus in 1976 Eumig responded to a proposal to set up a machinery plant in the depressed Fohnsdorf area where uneconomic pits had to be closed down.

It was regarded as a successful experiment in the retraining of redundant miners. But in the long run, heavy subsidies have helped to overshadow the problem of high transport costs and fragmented assembly.

However, Laenderbank's director general, Dr. Wolfgang Erndl is convinced that with the combined help of his bank and two other credit institutes Eumig will ride out the storm.

With the banks, the unions and the government standing financially and morally behind the company, most observers are convinced that Eumig will remain a respected name in the small world of cine-camera and projector production.

But no one seems to know yet the price to be paid for putting the company on a self-supporting basis. In addition to a thorough reorganisation of management and marketing, the company will have to make determined efforts to come to terms with its problems by cutting back its workforce.

Originally turning out lighters and cookers, the company in the 1970s has become one of the world's foremost maker of projectors and also a large-scale producer of cine-cameras. By 1977, however, Eumig's fortunes had begun to deteriorate. The company blamed high labour costs, a strong currency and, above all, the failure of a project jointly launched with Polaroid, the big U.S. concern, to market instant replay cine-cameras for its 1978 redundancies.

Under Austrian law as a family company Eumig did not have to present regular balance sheets. But by mid-1979 the basic defects in management, organisation and marketing became evident and the company suffered a loss estimated at Sch. 400m.

It is now openly admitted by the company that the per-head turnover is only one-half to two-thirds of the corresponding figures achieved by Japanese competitors. It was not just the misjudgment of the market for instant cameras but out of date marketing strategy that added to the company's troubles.

Another factor contributing

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## BRAZILIAN INVESTMENTS S.A.

Net Asset Value as of 31st January, 1980  
Per Depositary Share: U.S.\$78.96  
Per Depositary Share (Second Series): U.S.\$68.38  
Listed The London Stock Exchange

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## JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

## INTERIM REPORT FOR THE SIX MONTHS ENDED 31st DECEMBER, 1979

The following are the unaudited financial results of the Company and its subsidiaries:

	Six months ended 31 Dec. 1979	Six months ended 31 Dec. 1978	Year ended 30 June 1979
Income from investments	RM's 23.6	RM's 14.2	RM's 38.1
Net sundry revenue	4.1	2.1	6.7
Attributable trading profits of operating subsidiaries after deducting R14.8m (1978—R12.4m and June 1979—R25.0m) net of depreciation, management fees, interest, taxation and minority share of profits	7.4	4.4	6.8
Surplus on realisation of investments	35.1	20.7	51.6
Deduct:	12.7	3.5	7.9
Profit before taxation	47.8	34.2	59.1
Deduct: Taxation	2.1	2.5	3.5
Profit after taxation	45.7	21.7	55.9
Deduct: Dividends	10.0	5.8	22.6
Preference dividends	2.9	2.2	4.5
Ordinary dividends	7.1	3.6	18.1
Retained profit	35.7	15.8	32.9
Net asset value per share (based on market valuations and directors' valuation in respect of unquoted investments)	R107	R80	R89
Number of ordinary shares in issue	7,105,800	7,105,600	7,105,500
Earnings per ordinary share (excluding surplus on realisation of investments)	423c	224c	609c

NOTES:

(1) An interim dividend of 100c per share (1978: 50c) was declared on 18 December 1979 and is payable on 18 February 1980.

(2) The major part of the surplus on realisation of investments for the current period arose from the sale of our wholly-owned U.K. based subsidiary Barnato Brothers Limited (R11.3m) and Natal Cambrion Collieries Limited (R0.4m). These sales were reported in the Directors' and Chairmen's Reviews issued in November 1979.

(3) No provision for potential losses on future realisations of investments or loans is included in the interim income statement. Any such provisions as may be necessary are made at the end of the financial year in the light of circumstances then existing.

(4) The results for the past six months will not necessarily be repeated in the remaining six months of the year for the following reasons:—

(a) income from investments does not accrue evenly throughout the year;

(b) the realisation of investments fluctuates in accordance with policy decisions and market conditions.

On behalf of the Board,  
ALBERT ROBINSON  
G. H. WADDELL  
Directors

Head Office and Registered Office:  
Consolidated Building,  
Cor: Fox and Harrison Street,  
Johannesburg 2001.  
(P.O. Box 590, Johannesburg 2000)

12 February 1980

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## Price rises help Dyno Industrier

By F. Gjerstad in Oslo

DYNO INDUSTRIER, Norwegian manufacturers of plastic chemicals and explosives, said sharply increased prices for petro-chemical products, a rise in exports, and a fall in financial costs contributed to higher turnover and profits in 1979. A dividend of Nkr 1 per share is being recommended compared with Nkr 0.50 in 1978.

A preliminary report says that group sales reached Nkr 1,527m (\$314.9m), compared with Nkr 1,377m in 1978. Pre-tax profit rose by Nkr 20m to Nkr 10m (\$10.35m).

Dyno's profits from its 40 per cent interest in a new methanol plant in Holland, are not included in the group figures. Last year was the first full operating year for a new 350,000 tonnes per year plant.

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## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published the second Monday of each month.

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## ORION BANK LIMITED

## 1979 RESULTS

Extract from Consolidated Accounts at 31st December 1979

	1979	1978	1977	1979	1978	1977
	millions			US\$ millions*		
Shareholders Funds	60	54	48	133	111	92
Medium Term Loans	545	600	607	1,213	1,226	1,164
Deposits	1,121	1,21	944	2,499	2,085	1,809
Total Assets	1,232	1,15	1,026	2,743	2,278	1,996
Pre-Tax Profits	8.5	10.	10.2	18.9	20.7	19.5
After-Tax Profits	7.5	7.9	5.4	16.7	16.0	10.3

\*Conversion at year-end rates

The Chase Manhattan Corporation National Westminster Bank Limited,  
Credito Italiano Holding S.A. The Royal Bank of Canada  
The Mitsubishi Bank, Limited Westdeutsche Landesbank Girozentrale



1 London Wall, London EC2. Telephone: 01-600 6222

Companies  
and Markets

## INTNL. COMPANIES and FINANCE

Record six-month profits  
and sales for Toyota

BY OUR FINANCIAL STAFF

TOYOTA MOTOR COMPANY, Japan's largest car maker, raised net profits at parent company level by 53.9 per cent to a record ¥65.08bn (\$269m) in the half-year to December, from ¥42.39bn in the same period the previous year. Sales increased by 14.8 per cent to ¥1,550bn (\$64bn), also a record from ¥1,350bn.

The rise in profits follows a fall of 12.2 per cent to ¥102.05bn in the year to June, when the performance was affected by foreign exchange losses and a reduction in profits from the sale of securities. Sales for 1978-79 increased by 7.1 per cent to ¥2,500bn.

After-tax profits for the full year to June this year are expected to reach their highest

ever level, at ¥130bn, for a gain of 27 per cent. Sales too are expected to set a record, at ¥3,200bn, up 14 per cent.

The first half rise in profits was attributed by the company to foreign exchange gains — amounting to ¥35bn — and rationalisation measures as well as to higher sales of vehicles and parts.

Some 1.53m vehicles were produced and sold by the company in the half, against 1.4m in the same period of the previous year. Although domestic sales fell by 6 per cent to 787,000 exports rose by 30.9 per cent to 763,000 almost half the total sales.

Good sales in the U.S. and other overseas markets, said Mr. Shohachi Hanai, the chairman, reflected demand for small, fuel economy cars.

The company bases its forecasts for the full year mainly on active exports, and expects domestic sales for the 12 months to fall by 3.2 per cent to 1.60m units, while exports increase by 29.2 per cent to 1.56m.

The company's recurring profit for the six months to December was up 66.7 per cent to ¥130.44bn, from ¥78.24bn. Over the full year to June last, the profits on this basis showed a marginal fall, at ¥188.33bn, against ¥196.50bn.

The company has declared an interim dividend payment of ¥7 per share, up from ¥6 a year ago. The latest dividend includes a ¥2 bonus, including ¥1 to commemorate building 30m vehicles since the company was founded in 1933.

Earnings per share rose to ¥41.15 from ¥27.52.

Strong  
advance by  
Abercom  
in first half

By Jim Jones in Johannesburg

ABERCOM, the diversified South African industrial group, has reported a 22.2 per cent rise in net profit, to R4.49m (\$5.49m), for the six months to December 31. This compares with R3.64m for the corresponding period of 1978 and R7.22m for the year to June 30, 1979.

Mr. Peter Herbert, the managing director, says that all group divisions reported better operating results. First-half turnover increased by 25.7 per cent to R74.9m from R59.5m. Pre-tax profits rose by 38.4 per cent to R6.7m from R4.9m, as better plant utilisation resulted in improved operating margins.

The heavy engineering divisions, Mr. Herbert says, returned improved results. However, the steel division, which took this step further to pointing out that costs of Abercom's operations are relatively closely geared to capital spending by the country's mining industry. As this is a strong up-trend, some additional advances over the next few years are likely.

With 19.5m shares in issue at end-December, against 14.2m a year earlier, first-half earnings per share fell to 21 cents from 24 cents. However, the Board aims at a steady increase in dividends, allowing for necessary dividend cover requirements. In consequence, an interim dividend of 11 cents has been declared, compared with 10 cents. The Board believes that the final dividend will not be less than 11 cents, compared with last year's 11 cents final. In Johannesburg, Abercom shares are trading 630 cents.

## Alcan Australia smelter plan

BY JAMES FORTH IN SYDNEY

ALCAN AUSTRALIA, the aluminium group, plans a further A\$100m (around US\$110m) expansion of its Kurri Kurri smelter in New South Wales, the third boost within the past three years. The increase is the latest in a string of new smelters and expansions of existing smelters which have been announced in recent months by overseas groups, attracted by the availability of large blocks of relatively inexpensive power.

The expansion of Kurri Kurri in addition to plans announced last August of Alcan

Australia to build a new smelter at Gladstone, Queensland. This smelter would cost A\$250m and have an initial capacity of 100,000 tonnes a year rising to 250,000 to 300,000 tonnes.

Planning for the latest expansion of Kurri Kurri, which will lift capacity from 90,000 tonnes to 150,000 tonnes is well advanced and work on the upgrading should start next year. The directors do not, however, expect to make any further additions to capacity at Kurri Kurri after the latest expansion is completed.

Alcan Australia, which is sub-

stantially owned by the Canadian aluminium group, also reported yesterday an 82 per cent profit increase for 1979 from A\$8m to A\$14.65m (US\$18.2m). The dividend is raised from 7 cents a share to 12 cents.

The directors said that demand for aluminium products was strong throughout 1979 but that sales were limited by metal availability. These trading conditions were expected to continue throughout 1980, with buoyant demand for aluminium products again being subjected to a tight metal situation.

## Cooper Basin pipeline study undertaken

BY OUR SYDNEY CORRESPONDENT

THE South Australian State Government has commissioned a feasibility study on a pipeline to carry petroleum liquids from the Cooper Basin gas fields to the coast at Redcliff, near Port Augusta, South Australia. The Government's move was taken after a consortium of 11 companies which already supply Sydney and Adelaide with natural gas from the Cooper Basin fields concluded that recent price rises for crude oil, condensate and liquefied petroleum gas (LPG) would make the project economic.

The partners have been looking for some way to develop the full value of the liquids in the fields rather than simply send them to Sydney and Adelaide to provide power and heat.

At present, ethane, which can be used as a feedstock for petrochemicals, is already being "wanted" in this manner. The Cooper Basin partners have been waiting for years for a decision from Dow Chemicals of the U.S., as to whether it will build a petrochemical project at Redcliff using ethane as a feedstock. Such a project would enable the liquids to be sent to the coast and put through a separation plant. The rising prices have convinced the partners that they can go ahead with the liquids project even if the Redcliff petrochemicals project does not proceed.

The partners are still hopeful of a final decision from Dow between March and June this year. If Dow pulls out the ethane in the fields is unlikely to be commercially exploited. The liquids project envisaged by the partners would result in an output of about 27,000 to 30,000 barrels a day. The pipeline would cost about A\$80m, and the separation plant a further A\$80m.

ICI AUSTRALIA, 82 per cent owned by the UK chemicals group, plans a one-for-three scrip issue following a major asset revaluation. The issue was announced at the annual meeting in Melbourne yesterday by Sir David Zeidler, the retiring chairman.

He said that capital and reserves would rise by A\$128m (U.S.\$142m). Consideration had been given to present-day replacement costs, which were generally much higher than original costs, and account had also been taken of the mechanical and commercial lives of plant, processes and products. The company, which had not made a major revaluation of assets for nearly 20 years, would continue its past practice of reviewing annually the residual lives of assets and provide depreciation charges accordingly.

Sir David also said the ICI had started the current year well, with sales for the first quarter up 30 per cent to A\$284m. This reflected the growth in demand for the company's products and also higher prices, resulting mainly from steep increases in the cost of raw materials. These costs were continuing to rise with world prices of oil and oil products.

## Régie Nationale des Usines Renault

has acquired  
and committed to acquire for

\$100,000,000

an interest in

## American Motors Corporation

and has agreed to provide financing  
of up to an additional

\$100,000,000

The undersigned acted as financial advisor to Régie Nationale des Usines Renault  
in connection with this transaction.

## LAZARD FRÈRES &amp; Co.

February 13, 1980

Standard Chartered Bank Limited  
(Incorporated with limited liability in England)U.S. \$100,000,000  
Floating Rate Capital Notes 1990

For the six months from  
13th February, 1980 to 13th August, 1980  
the notes will carry an interest rate of 14½% per annum.  
On 13th August, 1980 interest of U.S. \$74-57 will be  
due per U.S. \$1,000 note for coupon No. 4.

Principal Paying Agent  
European-American Bank & Trust Company  
10 Hanover Square  
New York, N.Y. 10005

Agent Bank: Morgan Guaranty Trust Company of New York

## NOTICE

U.S. \$20,000,000

## DAI-ICHI CHUO (CAYMAN) LTD.

8½% Guaranteed Notes Due 1985

Pursuant to paragraph (B) of Condition 4 and  
Condition 12 of the Notes we hereby notify that  
we, as the Purchase Agent of the Notes,  
purchased Notes in the aggregate principal  
amount of U.S. \$1,500,000 during twelve-month  
period which began on January 15, 1979.

Sumitomo Finance International  
Purchase Agent

This announcement appears as a matter of record only.

February 1, 1980

Banco Mercantil Argentino, S.A.

U.S. \$20,000,000  
Medium Term Loan

Managed by:

American Express Bank  
International Group

Provided by:

Banco de Bogotá

Bank of Montreal International  
LimitedSeattle-First National Bank  
Nassau, Bahamas BranchAmerican Express  
International Banking Corporation

Banco Exterior de España

European American Bank

Argentine Banking Corporation

Banco Real S.A.  
Grand Cayman Branch

First Pennsylvania Bank N.A.

National Bank of North America

Wells Fargo Bank, N.A.

Agent:



American Express International Banking Corporation

DAI-ICHI CHUO



Companies  
and Markets

## CURRENCIES, MONEY AND GOLD

## Sterling soft

Sterling lost ground in the bull foreign exchange trading yesterday, showing little reaction to the rejection by BL workers of the management's pay offer. The pound came on offer late in the day, 6000 times after the announcement of the BL ballot, and it closed at \$2.2865-2.2875, a fall of 75 points on the day. Sterling opened at \$2.3020-2.3030, and moved within a range of \$2.3000 to \$2.3050 for most of the day, before touching a low of \$2.2920-2.2930 in the afternoon.

On Bank of England figures, the pound's trade-weighted index fell to 72.9 from 73.0, after standing at 73.0 at noon and in the morning.

New York banks were closed for a public holiday, and although several other U.S. centres were open, the dollar traded at a very narrow range against major currencies. It improved to DM 1.7415 from DM 1.7385 against the D-mark, to \$2.4150 from \$2.4140 against the Japanese yen, and to SwFr 1.62 from SwFr 1.6170 in terms of the Swiss franc. The dollar's index, as calculated by the Bank of England, rose to 85.2 from 85.1.

**D-MARK**—Very strong, but remaining steady within the European Monetary System. The D-mark declined against most of its EMS partners at the Frankfurt fixing, but was unchanged at DM 42.695 per 100 French francs. The dollar rose to DM 1.7405 from DM 1.7390 in quiet trading, with no intervention by the Bundesbank at the fixing. There was also no sign of central bank intervention in open trading. Despite the overall weakness of the D-mark, sterling slipped to DM 4.0080 from DM 4.0100, and the Swiss franc to DM 1.0750 from DM 1.0759.

**ITALIAN LIRA**—Recent demand for the lira reflected tight conditions in the domestic money market; strongest EMS currency with French franc. The lira was mixed at the Milan

fixing, easing slightly against the D-mark and French franc.

**FRENCH FRANC**—Strongest member of EMS since December, but challenged recently by Italian lira. The franc was unchanged against the D-mark at the Paris fixing, but lost ground to the Italian lira. Outside the EMS the dollar and sterling were both faced higher, but the Swiss franc was slightly weaker.

**BELGIAN FRANC**—Generally weakest member of EMS, but resists devaluation. The franc gained ground against most EMS members at the Brussels fixing, and was also stronger in terms of the dollar, sterling and Swiss franc.

**DUTCH GUILDER**—Steadier in recent weeks, near top of EMS. The guilder improved against all major currencies, except the Canadian dollar which was unchanged, at the Amsterdam fixing. The dollar fell to Fl 1.9180 from Fl 1.9190, and sterling to Fl 4.4180 from Fl 4.4240.

**DANISH KRONE**—Basically weak, suffering two devaluations since EMS began last March. The krone showed mixed changes at the Copenhagen fixing, improving against the Swedish krona and Norwegian krone, but losing ground to all EMS currencies except the D-mark. The German unit eased slightly to Dkr 3.1263 from Dkr 3.1285.

**JAPANESE YEN**—Energy problems reflected in sharp decline last year, but steadier recently. The yen improved slightly against the dollar in Tokyo, after the closure of Japanese markets on Monday for a national holiday. During the day the U.S. currency eased to ¥241.17 from an opening level of ¥241.80. The announcement of a further sharp rise in Japanese wholesale prices last month was anticipated by the market, but led to some speculation of a possible rise in the central bank discount rate.

## EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	February 12	% change from 1979	% change from 1978	Divergence limit
Belgian Franc	39.7887	40.5716	+1.97	+1.45	+1.53
Danish Krone	7.2238	7.9124	+1.14	+0.82	+1.64
German D-Mark	2.4836	2.5002	+0.72	+0.21	+1.125
French Franc	5.4780	5.8500	+0.16	+0.28	+1.352
Dutch Guilder	2.7432	2.7540	+0.39	+0.13	+1.512
Italian Lira	0.66201	0.676183	+1.19	+0.67	+1.868
Spanish Ptas.	167.75	173.34	+0.10	+0.08	+2.08

Changes are for ECU, therefore positive change denotes a weaker currency. Adjustment calculated by Financial Times.

## EXCHANGE CROSS RATES

Feb. 12	PoundSterling	U.S. Dollar	Deutchmark	Japanese Yen	FrenchFranc	Swiss Franc	DutchGuilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	2.297	1.403	555.0	9.370	5.723	4.410	185.4	2.666	64.90
U.S. Dollar	0.435	1.	1.742	241.6	4.079	1.621	1.920	807.1	1.160	29.25
Deutchmark	0.250	0.575	1.	138.7	2.441	0.930	1.102	463.2	0.656	16.31
Japanese Yen 1,000	1.902	4.139	7.212	1,000.	16.88	6.707	7.946	334.1	4.903	116.9
French Franc 10	1.057	2.451	4.372	592.3	10.	3.973	4.707	1979.	2.845	69.26
Swiss Franc	0.269	0.517	1.075	149.1	2.517	1.	1.185	498.1	0.716	17.43
Dutch Guilder	0.237	0.521	0.908	195.9	2.125	0.944	1.	420.4	0.604	14.72
Italian Lira, 1,000	0.589	1.329	2.159	399.4	5.054	2.008	2.379	1,000.	1.438	35.01
Canadian Dollar	0.375	0.862	1.502	200.2	3.515	1.397	1.654	695.6	1.	24.35
Belgian Franc 100	1.541	3.539	6.169	858.2	14.44	5.756	6.795	285.7	4.107	100.



## WORLD STOCK MARKETS

## Dow up 1.4 at mid-session

[illegible]







# Cons. Gold Fields' deal provokes much controversy Leading equities resist early fall but Gilts easier

Account Dealing Dates  
Options  
First Declared Last Account  
Dealing Date  
Jan. 28 Feb. 7 Feb. 18  
Feb. 11 Feb. 21 Feb. 22 Mar 3  
Feb. 23 Mar. 6 Mar. 17  
New time\* dealings may take  
place from 9.30 a.m. two business  
days earlier.

The Consolidated Gold Fields/Beers controversy apart, stock markets traded in more sedate fashion yesterday. General interest in energy-related stocks along with Australian exploration issues, but business was less than on Monday. Nevertheless, the tone throughout mining markets remained very firm and again took in some notable gains.

De Beers' purchase of 11 per cent of the equity in Cons. Gold Fields which increased its overall holding to 25 per cent provoked much discussion, and drew widely contrasting views about the methods employed to raise its stake.

Against a bleak Press on the labour situation at BL and in the steel and water industries, leading equities were opened easier. Once again, sellers were not drawn despite the previous day's sharp improvements and initial losses were regained. ICI remained the barometer of the market with potential buyers becoming active at any sign of a lasting price reaction.

Lte news concerning the BL vote against the management's pay plan and the major steel unions' agreement to meet with ACAS today appeared to have little influence on a market content to consolidate recent gains.

The FT 30-share index began to fall after two hours later was marginally better on balance: the close was a net 0.6 off at 489.5.

The effects of the troubled UK industrial scene were more noticeable in Gilts-edged securities. A dull opening provoked a limited amount of selling and, in a market currently lacking incentive, falls extended to 3 p.m. to appear. With the exception of stocks in the 1983/85 area, the falls were reduced later and the better feeling continued into the after-hours trade. Short-dated issues also trended easier, usually by the special low-coupon tag, yet again resisted the dullness to close fractionally higher at 691.

Guinness Peat up

Action in Traded options was centred on Cons. Gold Fields, which contributed 725 trades to a total of 1,312, almost double last week's daily average. Also active were RTZ, 136 deals, and BP, 106.

In Banks, Guinness Peat responded to the interim statement with a gain of 15 to 127p. Hongkong and Shanghai firmed 5 to 202p on far-Eastern influences, but Grindlays, a volatile market of late on news that Mass Development had increased its stake in the company to just over 5 per cent, eased 3 to 122p. Bank Leumi UK shed 10 to 100p. The major clearing banks drifted back from a firm start to close virtually unchanged on balance. Rumours that the Office of Fair Trading had agreed to the party 100p to 100p. Bowling to 143p and the 10 per cent convertible 13 points to 116p.

Breweries made modest progress in a subdued market. Scottish and Newcastle hardened a shade to 53p and Arthur Guinness a couple of pence to 96p. Among regional issues, Wolverhampton and Dudley firmed 3 to 290p.

Leading Buildings encountered a useful two-way business. Tarmac was notable for a gain of 3 to 219p, while London Brick added a penny to 60p. Buying in a thin market lifted Ruberoid 6 to 59p, but Montague L. Meyer, a rising market of late on bid rumours, eased a penny to 199p. Ward Houlden put on 4 to 62p; the annual results are due shortly. SGB came in for support and firmed 5 to 243p, while F. J. C. Lilley and Bellway added 3 pence to 86p and 79p respectively. In a firm Paints sector, Mander, 182p, and International 78p, both added a couple of pence.

ICI encountered early institutional support and touched 404p, before the appearance of small sellers left the price unchanged on balance at 388p. Among other Chemicals, Laporte hardened a penny to 110p, after 111p, while late interest lifted Brent 6 to 218p. Scottish Agricultural Industries revived with a gain of 15 to 85p in a thin market, while Allied Colloids improved a couple of pence to 133p.

British Home good  
Leading Stores were steady to firm. House of Fraser added a couple of pence to 134p, while British Home put on 4 to 281p; the latter to record a three-day gain of 11. Among secondary counters, Martin Ford eased 2 to 34p following the disclosure of a full-year statement, but NBS Newsagents attracted small buyers and rose 3 to 128p. Harris Kensington, 104p, picked up 5 pence, while Status Discount firmed 4 to 124p. Smaller price issues to ease 5 to 180p on profit-taking, but George Oliver found support and closed 7 up at 115p.

Still awaiting further developments in the Rascal/GEC bid battle, Decca eased 10 to 585p and the A 5 to 440p. GEC improved 2 to 377p, while Rascal, which is still discussing the possibility of a fresh offer, closed 4 higher at 223p. Elsewhere in the Electrical sector, renewed support lifted Serco 4 more to 117p, while buyers again showed interest in United Scientific, up 9 further at 465p. George R. Scholes put on 5 to 232p and Fittings moved up 15 to 550p in a thin market. By way of contrast, Sound Diffusion continued to reflect the forecast of a sharp reduction in annual profits and reacted fresh to 56p before closing 2 down on the day at 61p.

Engineering leaders were subdued awaiting further develop-

preliminary results. Birmid-Quacast hardened a penny to 43p. Foods were notable for a gain of 6 to 154p in British Sugar. Elsewhere, speculative support in a thin market lifted Bernard Matthews 35 to 94p, while Amos Hinson put on 5 to 81p and Danish Bacon A added 4 to 124p. Needlers, on the other hand, encountered profit-taking and shed 3 to 54p, after 53p, while Robertson gave up 4 to 130p. Meat Trade Suppliers responded to the interim statement with a gain of 21 to 77p.

D. Macpherson higher  
Inclined easier at the start, the miscellaneous Industrial leaders rallied to close without much alteration on balance. Bowater, however, finished 3 to the good at 182p, after 176p.

again directed towards Motor Distributors, although business was lighter than on Monday and most prices finished a shade below the day's best. Harveys rose 5 to 82p, after 84p, while H. and J. Quick added 3 to 41p. Glanfield Lawrence firmed a penny to 192p, the price in yesterday's issue was incorrect. Canyans, a strong market of late, encountered profit-taking and eased 5 to 200p, while BSG and British Car Auctions, 70p, both eased a penny.

Leading Properties fluctuated narrowly before settling a few pence easier on balance as interest in secondary issues, however, held steady to firm. Investments adding 5 pence to the common price of 390p. Ivory also firmed 5 to 580p, while Corn Exchange put on 6 to 324p and Avenue Close picked up 3 to 103p. Fresh interest was shown in Daejan which hardened 2 to 125p, while Westminster and Country revived with a gain of a penny to 36p.

Lamva, 395p, both added 5, while Castledale rose 10 to 550p.

Gold Fields lower

Consolidated Gold Fields dominated proceedings in mining markets both in front of and following the revelation that the Anglo-American-De Beers Group has been the recent mystery buyer of the shares. Gobbers opened Gold Fields at 617p in the knowledge that the Anglo-De Beers group was seeking to purchase around 11 per cent of the Gold Fields equity. Once this order had been satisfied the price fell sharply to around 550p following news that the Anglo group interest had control of about 25 per cent of Gold Fields.

This prompted renewed buying which lifted the shares to 570p. However, fairly heavy selling emerged which depressed the closing price to 510p, a net fall of 15.

Reinvestment of profits made on earlier purchases of Gold Fields coupled with the recent buoyancy of metal prices produced heavy buying of other London Financials. Charter Consolidated advanced to 183p before settling 15 up at 185p. Rio Tinto-Zinc ended 11 better at 455p, after a 1979-80 high of 462p and Selection Trust put on 16 to 776p, after a high of 786p.

Among South African financials, De Beers attracted good US support in the after-hours trade and closed 7 pence up at 182p, while Anglo American hardened 5 to 670p. Gold Fields of South Africa touched 540p before closing 11.

## FINANCIAL TIMES STOCK INDICES

	Feb. 12	Feb. 11	Feb. 8	Feb. 7	Feb. 6	Feb. 5	1 Year Ago
Government Secs.	66.10	66.39	66.55	66.05	66.40	66.60	66.18
Fixed Interest	68.06	67.08	67.38	67.06	67.47	67.67	68.03
Industrial	466.8	469.9	461.4	468.3	465.3	447.4	466.4
Cons. Miners	358.8	357.8	348.0	346.4	344.3	338.3	377.0
Ord. Inv. Yield	7.03	7.05	7.06	7.08	7.17	7.20	6.94
Earnings, Yld. % (m)	17.94	17.91	17.91	17.91	17.98	17.98	18.31
P/E Ratio (net) (%)	10.7	10.6	10.6	10.7	10.6	10.6	10.6
Total bargains	27,674	28,018	27,975	28,389	28,498	28,197	27,898
Equity turnover £m	117.47	108.08	105.91	110.48	106.11	79.58	79.58
Equity bargains total	18,058	11,115	10,715	11,433	11,029	11,466	11,466

10 am 488.3, 11 am 489.2, Noon 470.0, 1 pm 489.3, 2 pm 488.3, 3 pm 489.3.  
Largest issues: 01-249 6222  
\* Nil-B.41.

Base 100 Govt. Secs. 15/10/78 Fixed Int. 15/10/78 Industrial Ind. 1/7/78 Gold Mines 12/5/78 SE Activity July-Dec. 1972

## HIGHS AND LOWS

	1979/80	Since Completion	Feb. 12	Feb. 11
	High	Low	High	Low
Govt. Secs.	75.81	63.50	187.4	49.18
Fixed Int.	77.78	64.05	180.4	50.55
Ind. Ord.	688.6	608.3	858.4	49.4
Gold Mines	350.4	128.9	442.5	43.5

Govt. Secs. 15/10/78 Fixed Int. 15/10/78 Industrial Ind. 1/7/78 Gold Mines 12/5/78 SE Activity July-Dec. 1972

## S.E. ACTIVITY

	1979/80	Since Completion	Feb. 12	Feb. 11
	High	Low	High	Low
Govt. Secs.	75.81	63.50	187.4	49.18
Fixed Int.	77.78	64.05	180.4	50.55
Ind. Ord.	688.6	608.3	858.4	49.4
Gold Mines	350.4	128.9	442.5	43.5

Govt. Secs. 15/10/78 Fixed Int. 15/10/78 Industrial Ind. 1/7/78 Gold Mines 12/5/78 SE Activity July-Dec. 1972

## NEW HIGHS AND LOWS FOR 1979/80

The following securities entered in the Standard New Highs and Lows for 1979/80

	Up	Down	Same
British Govt. Secs.	2	71	9
Corp. Bonds	1	31	34
Industrial	311	234	381
Financial & Prop.	209	88	202
Cons. Miners	18	2	4
Metals	50	54	45
Others	37	51	78
Totals	633	570	1,204

## RISES AND FALLS YESTERDAY

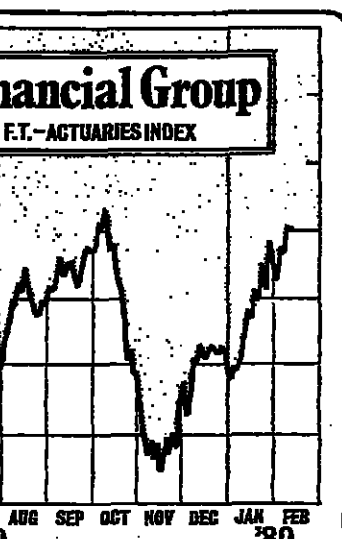
	Up	Down	Same
British Govt. Secs.	2	71	9
Corp. Bonds	1	31	34
Industrial	311	234	381
Financial & Prop.	209	88	202
Cons. Miners	18	2	4
Metals	50	54	45
Others	37	51	78
Totals	633	570	1,204

## FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS		Tues. Feb. 12, 1980				Mon. Feb. 11	Fri. Feb. 8	Thurs. Feb. 7	Wed. Feb. 6	Year ago (approx.)	
Figures in parentheses show number of stocks per section		Index No.	Day's Change %	Est. Earnings Yield (Yr.) (Mn.)	Gross Div. Yield % (ACT at 1979)	Est. P/E Ratio (Net)	Index No.	Index No.	Index No.	Index No.	Index No.
1	CAPITAL GOODS (172)	246.28	+0.1	17.76	6.36	7.18	246.08	246.13	257.31	223.82	
2	Building Materials (27)	241.12	+0.1	16.46	6.51	7.75	241.08	253.61	256.49	198.36	
3	Contracting, Construction (29)	369.22	+0.2	25.49	6.57	4.87	368.99	362.28	358.14	351.89	
4	Electricals (15)	430.30	+0.3	12.83	3.94	10.38	429.97	620.17	616.94	598.93	
5	Engineering Contractors (11)	300.84	+1.2	24.62	8.51	5.17	297.31	293.08	295.23	286.94	
6	Mechanical Engineering (7)	169.88	+1.1	20.26	7.71	13.27	169.78	166.32	165.25	150.57	
7	Metals and Metal Forming (16)	168.35	+0.1	20.22	9.02	5.90	168.51	165.25	164.73	154.94	
CONSUMER GOODS											
11	(DURABLE) (50)	223.79	+0.5	15.97	5.46	7.75	222.75	218.09	217.25	199.51	
12	L. Electronics, Radio, TV (15)	313.22	+0.8	12.28	4.11	10.45	310.82	303.04	303.81	278.50	
13	Household Goods (14)	113.98	+0.5	26.47	9.62	4.25	113.57	113.98	113.13	157.98	
14	Motors and Distributors (21)	115.09	+0.3	23.35	8.10	5.85	113.48	113.30	112.55	111.85	
CONSUMER GOODS											
21	(NON-DURABLE) (173)	221.39	+0.1	18.27	6.89	6.75	221.17	219.62	220.87	205.77	
22	Breweries (14)	256.01	+0.6	17.45	6.83	6.75	254.60	251.06	252.36	223.60	
23	Wines and Spirits (5)	292.00	+0.3	18.59	6.35	6.64	291.75	288.70	290.49	292.85	
24	Entertainment, Catering (17)	301.13	+0.4	18.53	4.97	4.79	300.65	301.50	300.22	270.23	
25	Food Manufacturing (19)	206.70	+0.1	19.58	7.65	6.31	206.61	203.16	203.92	185.74	
26	Food Retailing (15)	302.32	+0.3	12.74	4.96	8.69	301.39	302.07	302.87	272.29	
32	Newspapers, Publishing (13)	449.67	+0.5	22.44	6.68	6.08	449.25	442.82	428.78	376.61	
33	Packaging and Paper (15)	133.44	+0.1	22.32	8.51	5.77	133.42	130.23	131.75	131.40	
34	Stores (43)	219.97	+0.2	13.99	5.18	9.24	219.62	217.97	220.24	190.35	
35	Textiles (23)	132.97	+0.7	27.69	12.21	4.57	133.11	131.76	132.41	109.84	
36	Tobacco (3)	206.80	+1.2	27.30	18.59	14.19	206.75	203.16	203.92	185.74	
37	Toys and Games (6)	42.83	+2.4	38.21	16.72	3.50	41.84	40.85	41.82	42.06	
41	OTHER GOODS (97)	211.73	+0.7	15.07	6.41	8.04	211.76	207.60	207.77	191.61	
42	Chemicals (17)	313.29	+0.2	15.69	6.43	7.36	313.01	303.52	304.99	274.36	
43	Pharmaceutical Products (7)	215.25	+0.2	11.83	5.94	10.31	215.62	213.25	212.88	199.48	
44	Equipment (6)	120.95	+0.8	18.18	6.78	6.48	121.57	120.24	121.84	121.48	
45	Shipping (10)	463.96	+0.4	11.41	6.96	11.19	462.21	462.56	457.50	401.73	
46	Miscellaneous (57)	229.49	+0.4	16.38	6.45	7.87	229.75	206.58	204.02	185.45	
49	INDUSTRIAL GROUP (492)	232.70	+0.1	17.19	6.53	7.18	232.51	231.29	228.70	218.11	
51	Oils (8)	810.57	+2.5	13.66	5.89	7.30	810.56	799.49	783.94	740.51	
59	50 SHARE INDEX	278.24	+0.5	16.46	6.39	7.31	278.10	273.87	273.44	267.48	
63	FINANCIAL GROUP (137)	280.14	+0.1	5.53	—	—	280.04	276.72	275.95	263.94	
64	Banks (6)	232.16	+0.1	36.82	5.60	3.56	232.05	228.69	227.72	215.51	
65	Discount Houses (10)	233.99	+0.8	—	8.71	—	233.87	228.08	226.50	206.38	
66	Hire Purchase (5)	127.02	+0.7	18.78	5.57	6.93	126.98	127.19	101.81	105.77	
65	Insurance (Life) (10)	127.02	+0.7	18.78	5.57	6.93	126.98	127.19	101.81	105.77	
66	Insurance (Composite) (9)	127.02	+0.7	18.78	5.57	6.93	126.98	127.19	101.81	105.77	
67	Insurance Brokers (10)	288.36	+0.4	17.12	6.88	8.39	288.26	287.08	286.94	275.23	
69	Merchant Banks (14)	106.13	+2.3	—	5.61	—	106.13	102.85	99.64	74.62	
70	Property (44)	362.49	+0.5	3.64	2.99	39.40	364.31	360.98	360.75	353.45	
71	Miscellaneous (9)	125.61	+0.1	15.32	6.70	8.57	125.78	123.32	123.18	127.92	
70	Investment Trusts (109)	222.98	+1.2	10.46	4.01	11.61	222.92	218.48	218.48	214.99	
81	Mining Finance (4)	220.35	+1.1	10.46	4.01	11.61	221.92	206.87	205.24	193.91	
82	Overseas Traders (20)	427.82	+1.3	11.60	6.29	10.63	427.82	402.87	398.25	352.49	
95	ALL-SHARE INDEX (750)	261.95	+0.2	—	6.10	—	261.95	258.74	258.13	251.81	

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London. ECU 487, price 15p, by post 25p.



Financial Group FT-ACTUARIES INDEX

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## BRITISH FUNDS

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## INTERNATIONAL BANK

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## FOREIGN BONDS & RAILS

1979-82	Stock	Pric	+ or -	% of Cost	Est. Val
22	Antarctica Ry.	57			
26	D. Soc Per	50			
37	Chinsec Milw	96			3.95
38	Chinese 4-cc 1978	96			
40	Chinese 4-cc 1978	96			
41	Chinese 4-cc 1978	96			
42	D. Soc 1973	21			
43	D. Soc 1975	21			
44	D. Soc 1975	21			
45	D. Soc 1975	21			
46	D. Soc 1975	21			
47	D. Soc 1975	21			
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95	D. Soc 1975	21			
96	D. Soc 1975	21			
97	D. Soc 1975	21			
98	D. Soc 1975	21			
99	D. Soc 1975	21			
100	D. Soc 1975	21			

## AMERICANS

1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	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## CANADIANS

1974-80	Stock	Price	10	10	10	10	10	10	10
1083	IANZ SA 1	294	14	1022	3.7	4.6	5	5	5
1085	Alexanders D. 21	295	14	1024	3.7	4.6	5	5	5
1086	Bank of Montreal 32	296	14	1026	3.7	4.6	5	5	5
1087	Bank of Montreal 32	297	14	1028	3.7	4.6	5	5	5
1088	Bank of Montreal 32	298	14	1030	3.7	4.6	5	5	5
1089	Bank of Montreal 32	299	14	1032	3.7	4.6	5	5	5
1090	Bank of Montreal 32	300	14	1034	3.7	4.6	5	5	5
1091	Bank of Montreal 32	301	14	1036	3.7	4.6	5	5	5
1092	Bank of Montreal 32	302	14	1038	3.7	4.6	5	5	5
1093	Bank of Montreal 32	303	14	1040	3.7	4.6	5	5	5
1094	Bank of Montreal 32	304	14	1042	3.7	4.6	5	5	5
1095	Bank of Montreal 32	305	14	1044	3.7	4.6	5	5	5
1096	Bank of Montreal 32	306	14	1046	3.7	4.6	5	5	5
1097	Bank of Montreal 32	307	14	1048	3.7	4.6	5	5	5
1098	Bank of Montreal 32	308	14	1050	3.7	4.6	5	5	5
1099	Bank of Montreal 32	309	14	1052	3.7	4.6	5	5	5
1100	Bank of Montreal 32	310	14	1054	3.7	4.6	5	5	5
1101	Bank of Montreal 32	311	14	1056	3.7	4.6	5	5	5
1102	Bank of Montreal 32	312	14	1058	3.7	4.6	5	5	5
1103	Bank of Montreal 32	313	14	1060	3.7	4.6	5	5	5
1104	Bank of Montreal 32	314	14	1062	3.7	4.6	5	5	5
1105	Bank of Montreal 32	315	14	1064	3.7	4.6	5	5	5
1106	Bank of Montreal 32	316	14	1066	3.7	4.6	5	5	5
1107	Bank of Montreal 32	317	14	1068	3.7	4.6	5	5	5
1108	Bank of Montreal 32	318	14	1070	3.7	4.6	5	5	5
1109	Bank of Montreal 32	319	14	1072	3.7	4.6	5	5	5
1110	Bank of Montreal 32	320	14	1074	3.7	4.6	5	5	5
1111	Bank of Montreal 32	321	14	1076	3.7	4.6	5	5	5
1112	Bank of Montreal 32	322	14	1078	3.7	4.6	5	5	5
1113	Bank of Montreal 32	323	14	1080	3.7	4.6	5	5	5
1114	Bank of Montreal 32	324	14	1082	3.7	4.6	5	5	5
1115	Bank of Montreal 32	325	14	1084	3.7	4.6	5	5	5
1116	Bank of Montreal 32	326	14	1086	3.7	4.6	5	5	5
1117	Bank of Montreal 32	327	14	1088	3.7	4.6	5	5	5
1118	Bank of Montreal 32	328	14	1090	3.7	4.6	5	5	5
1119	Bank of Montreal 32	329	14	1092	3.7	4.6	5	5	5
1120	Bank of Montreal 32	330	14	1094	3.7	4.6	5	5	5
1121	Bank of Montreal 32	331	14	1096	3.7	4.6	5	5	5
1122	Bank of Montreal 32	332	14	1098	3.7	4.6	5	5	5
1123	Bank of Montreal 32	333	14	1100	3.7	4.6	5	5	5
1124	Bank of Montreal 32	334	14	1102	3.7	4.6	5	5	5
1125	Bank of Montreal 32	335	14	1104	3.7	4.6	5	5	5
1126	Bank of Montreal 32	336	14	1106	3.7	4.6	5	5	5
1127	Bank of Montreal 32	337	14	1108	3.7	4.6	5	5	5
1128	Bank of Montreal 32	338	14	1110	3.7	4.6	5	5	5
1129	Bank of Montreal 32	339	14	1112	3.7	4.6	5	5	5
1130	Bank of Montreal 32	340	14	1114	3.7	4.6	5	5	5
1131	Bank of Montreal 32	341	14	1116	3.7	4.6	5	5	5
1132	Bank of Montreal 32	342	14	1118	3.7	4.6	5	5	5
1133	Bank of Montreal 32	343	14	1120	3.7	4.6	5	5	5
1134	Bank of Montreal 32	344	14	1122	3.7	4.6	5	5	5
1135	Bank of Montreal 32	345	14	1124	3.7	4.6	5	5	5
1136	Bank of Montreal 32	346	14	1126	3.7	4.6	5	5	5
1137	Bank of Montreal 32	347	14	1128	3.7	4.6	5	5	5
1138	Bank of Montreal 32	348	14	1130	3.7	4.6	5	5	5
1139	Bank of Montreal 32	349	14	1132	3.7	4.6	5	5	5
1140	Bank of Montreal 32	350	14	1134	3.7	4.6	5	5	5
1141	Bank of Montreal 32	351	14	1136	3.7	4.6	5	5	5
1142	Bank of Montreal 32	352	14	1138	3.7	4.6	5	5	5
1143	Bank of Montreal 32	353	14	1140	3.7	4.6	5	5	5
1144	Bank of Montreal 32	354	14	1142	3.7	4.6	5	5	5
1145	Bank of Montreal 32	355	14	1144	3.7	4.6	5	5	5
1146	Bank of Montreal 32	356	14	1146	3.7	4.6	5	5	5
1147	Bank of Montreal 32	357	14	1148	3.7	4.6	5	5	5
1148	Bank of Montreal 32	358	14	1150	3.7	4.6	5	5	5
1149	Bank of Montreal 32	359	14	1152	3.7	4.6	5	5	5
1150	Bank of Montreal 32	360	14	1154	3.7	4.6	5	5	5
1151	Bank of Montreal 32	361	14	1156	3.7	4.6	5	5	5
1152	Bank of Montreal 32	362	14	1158	3.7	4.6	5	5	5
1153	Bank of Montreal 32	363	14	1160	3.7	4.6	5	5	5
1154	Bank of Montreal 32	364	14	1162	3.7	4.6	5	5	5
1155	Bank of Montreal 32	365	14	1164	3.7	4.6	5	5	5
1156	Bank of Montreal 32	366	14	1166	3.7	4.6	5	5	5
1157	Bank of Montreal 32	367	14	1168	3.7	4.6	5	5	5
1158	Bank of Montreal 32	368	14	1170	3.7	4.6	5	5	5
1159	Bank of Montreal 32	369	14	1172	3.7	4.6	5	5	5
1160	Bank of Montreal 32	370	14	1174	3.7	4.6	5	5	5
1161	Bank of Montreal 32	371	14	1176	3.7	4.6	5	5	5
1162	Bank of Montreal 32	372	14	1178	3.7	4.6	5	5	5
1163	Bank of Montreal 32	373	14	1180	3.7	4.6	5	5	5
1164	Bank of Montreal 32	374	14	1182	3.7	4.6	5	5	5
1165	Bank of Montreal 32	375	14	1184	3.7	4.6	5	5	5
1166	Bank of Montreal 32	376	14	1186	3.7	4.6	5	5	5
1167	Bank of Montreal 32	377	14	1188	3.7	4.6	5	5	5
1168	Bank of Montreal 32	378	14	1190	3.7	4.6	5	5	5
1169	Bank of Montreal 32	379	14	1192	3.7	4.6	5	5	5
1170	Bank of Montreal 32	380	14	1194	3.7	4.6	5	5	5
1171	Bank of Montreal 32	381	14	1196	3.7	4.6	5	5	5
1172	Bank of Montreal 32	382	14	1198	3.7	4.6	5	5	5
1173	Bank of Montreal 32	383	14	1200	3.7	4.6	5	5	5
1174	Bank of Montreal 32	384	14	1202	3.7	4.6	5	5	5
1175	Bank of Montreal 32	385	14	1204	3.7	4.6	5	5	5
1176	Bank of Montreal 32	386	14	1206	3.7	4.6	5	5	5
1177	Bank of Montreal 32	387	14	1208	3.7	4.6	5	5	5
1178	Bank of Montreal 32	388	14	1210	3.7	4.6	5	5	5
1179	Bank of Montreal 32	389	14	1212	3.7	4.6	5	5	5
1180	Bank of Montreal 32	390	14	1214	3.7	4.6	5	5	5
1181	Bank of Montreal 32	391	14	1216	3.7	4.6	5	5	5
1182	Bank of Montreal 32	392	14	1218	3.7	4.6	5	5	5
1183	Bank of Montreal 32	393	14	1220	3.7	4.6	5	5	5
1184	Bank of Montreal 32	394	14	1222	3.7	4.6	5	5	5
1185	Bank of Montreal 32	395	14	1224	3.7	4.6	5	5	5
1186	Bank of Montreal 32	396	14	1226	3.7	4.6	5	5	5
1187	Bank of Montreal 32	397	14	1228	3.7	4.6	5	5	5
1188	Bank of Montreal 32	398	14	1230	3.7	4.6	5	5	5
1189	Bank of Montreal 32	399	14	1232	3.7	4.6	5	5	5
1190	Bank of Montreal 32	400	14	1234	3.7	4.6	5	5	5
1191	Bank of Montreal 32	401	14	1236	3.7	4.6	5	5	5
1192	Bank of Montreal 32	402	14	1238	3.7	4.6	5	5	5
1193	Bank of Montreal 32	403	14	1240	3.7	4.6	5	5	5
1194	Bank of Montreal 32	404	14	1242	3.7	4.6	5	5	5
1195	Bank of Montreal 32	405	14	1244	3.7	4.6	5	5	5
1196	Bank of Montreal 32	406	14	1246	3.7	4.6	5	5	5
1197	Bank of Montreal 32	407	14	1248	3.7	4.6	5	5	5
1198	Bank of Montreal 32	408	14	1250	3.7	4.6	5	5	5
1199	Bank of Montreal 32	409	14	1252	3.7	4.6	5	5	5
1200	Bank of Montreal 32	410	14	1254	3.7	4.6	5	5	5
1201	Bank of Montreal 32	411	14	1256	3.7	4.6	5	5	5
1202	Bank of Montreal 32	412	14	1258	3.7	4.6	5	5	5
1203	Bank of Montreal 32	413	14	1260	3.7	4.6	5	5	5
1204	Bank of Montreal 32	414	14	1262	3.7	4.6	5	5	5
1205	Bank of Montreal 32	415	14	1264	3.7	4.6	5	5	5
1206	Bank of Montreal 32	416	14	1266	3.7	4.6	5	5	5
1207	Bank of Montreal 32	417	14	1268	3.7	4.6	5	5	5
1208	Bank of Montreal 32	418	14	1270	3.7	4.6	5	5	5
1209	Bank of Montreal 32	419	14	1272	3.7	4.6	5	5	5
1210	Bank of Montreal 32	420	14	1274	3.7	4.6	5	5	5
1211	Bank of Montreal 32	421	14	1276	3.7	4.6	5	5	5
1212	Bank of Montreal 32	422	14	1278	3.7	4.6	5	5	5
1213	Bank of Montreal 32	423	14	1280	3.7	4.6	5	5	5
1214	Bank of Montreal 32	424	14	1282	3.7	4.6	5	5	5
1215	Bank of Montreal 32	425	14	1284	3.7	4.6	5	5	5
1216	Bank of Montreal 32	426	14	1286	3.7	4.6	5	5	5
1217	Bank of Montreal 32	427	14	1288	3.7	4.6	5	5	5
1218	Bank of Montreal 32	428	14	1290	3.7	4.6	5	5	5
1219	Bank of Montreal 32	429	14	1292	3.7	4.6	5	5	5
1220	Bank of Montreal 32	430	14	1294	3.7	4.6	5	5	5
1221	Bank of Montreal 32	431	14	1296	3.7	4.6	5	5	5
1222	Bank of Montreal 32	432	14	1298	3.7	4.6	5	5	5
1223	Bank of Montreal 32	433	14	1300	3.7	4.6	5	5	5
1224	Bank of Montreal 32	434	14	1302	3.7	4.6	5	5	5
1225	Bank of Montreal 32	435	14	1304	3.7	4.6	5	5	5
1226	Bank of Montreal 32	436	14	1306	3.7	4.6	5	5	5
1227	Bank of Montreal 32	437	14	1308	3.7	4.6	5	5	5
1228	Bank of Montreal 32	438	14	1310	3.7	4.6	5	5	5
1229	Bank of Montreal 32	439	14	1312	3.7	4.6	5	5	5
1230	Bank of Montreal 32	440	14	1314	3.7	4.6	5	5	5
1231	Bank of Montreal 32	441	14	1316	3.7	4.6	5	5	5
1232	Bank of Montreal 32	442	14	1318	3.7	4.6	5	5	5
1233	Bank of Montreal 32	443	14	1320	3.7	4.6	5	5	5
1									

## BANKS &amp; HP—Continued

1879-80	High	Low	Stock	Price	±	Net	Gr	W
20	185	19	Gallitz Bros. £7	215	26	114.95		
21	185	19	Gallitz Bros. £7	215	26	114.95		
22	185	19	Gallitz Bros. £7	215	26	114.95		
23	185	19	Gallitz Bros. £7	215	26	114.95		
24	185	19	Gallitz Bros. £7	215	26	114.95		
25	185	19	Gallitz Bros. £7	215	26	114.95		
26	185	19	Gallitz Bros. £7	215	26	114.95		
27	185	19	Gallitz Bros. £7	215	26	114.95		
28	185	19	Gallitz Bros. £7	215	26	114.95		
29	185	19	Gallitz Bros. £7	215	26	114.95		
30	185	19	Gallitz Bros. £7	215	26	114.95		
31	185	19	Gallitz Bros. £7	215	26	114.95		
32	185	19	Gallitz Bros. £7	215	26	114.95		
33	185	19	Gallitz Bros. £7	215	26	114.95		
34	185	19	Gallitz Bros. £7	215	26	114.95		
35	185	19	Gallitz Bros. £7	215	26	114.95		
36	185	19	Gallitz Bros. £7	215	26	114.95		
37	185	19	Gallitz Bros. £7	215	26	114.95		
38	185	19	Gallitz Bros. £7	215	26	114.95		
39	185	19	Gallitz Bros. £7	215	26	114.95		
40	185	19	Gallitz Bros. £7	215	26	114.95		
41	185	19	Gallitz Bros. £7	215	26	114.95		
42	185	19	Gallitz Bros. £7	215	26	114.95		
43	185	19	Gallitz Bros. £7	215	26	114.95		
44	185	19	Gallitz Bros. £7	215	26	114.95		
45	185	19	Gallitz Bros. £7	215	26	114.95		
46	185	19	Gallitz Bros. £7	215	26	114.95		
47	185	19	Gallitz Bros. £7	215	26	114.95		
48	185	19	Gallitz Bros. £7	215	26	114.95		
49	185	19	Gallitz Bros. £7	215	26	114.95		
50	185	19	Gallitz Bros. £7	215	26	114.95		
51	185	19	Gallitz Bros. £7	215	26	114.95		
52	185	19	Gallitz Bros. £7	215	26	114.95		
53	185	19	Gallitz Bros. £7	215	26	114.95		
54	185	19	Gallitz Bros. £7	215	26	114.95		
55	185	19	Gallitz Bros. £7	215	26	114.95		
56	185	19	Gallitz Bros. £7	215	26	114.95		
57	185	19	Gallitz Bros. £7	215	26	114.95		
58	185	19	Gallitz Bros. £7	215	26	114.95		
59	185	19	Gallitz Bros. £7	215	26	114.95		
60	185	19	Gallitz Bros. £7	215	26	114.95		
61	185	19	Gallitz Bros. £7	215	26	114.95		
62	185	19	Gallitz Bros. £7	215	26	114.95		
63	185	19	Gallitz Bros. £7	215	26	114.95		
64	185	19	Gallitz Bros. £7	215	26	114.95		
65	185	19	Gallitz Bros. £7	215	26	114.95		
66	185	19	Gallitz Bros. £7	215	26	114.95		
67	185	19	Gallitz Bros. £7	215	26	114.95		
68	185	19	Gallitz Bros. £7	215	26	114.95		
69	185	19	Gallitz Bros. £7	215	26	114.95		
70	185	19	Gallitz Bros. £7	215	26	114.95		
71	185	19	Gallitz Bros. £7	215	26	114.95		
72	185	19	Gallitz Bros. £7	215	26	114.95		
73	185	19	Gallitz Bros. £7	215	26	114.95		
74	185	19	Gallitz Bros. £7	215	26	114.95		

## BEERS, WINES AND SPIRITS

13	73	Allied Bros.	75	75	55.0	22	93	55.0
14	74	Am. Dist. Fr. 10c.	76	76	10.75	23	94	10.75
15	75	Am. Dist. Fr. 10c.	77	77	10.75	24	95	10.75
16	76	Am. Dist. Fr. 10c.	78	78	10.75	25	96	10.75
17	77	Am. Dist. Fr. 10c.	79	79	10.75	26	97	10.75
18	78	Am. Dist. Fr. 10c.	80	80	10.75	27	98	10.75
19	79	Am. Dist. Fr. 10c.	81	81	10.75	28	99	10.75
20	80	Am. Dist. Fr. 10c.	82	82	10.75	29	00	10.75
21	81	Am. Dist. Fr. 10c.	83	83	10.75	30	01	10.75
22	82	Am. Dist. Fr. 10c.	84	84	10.75	31	02	10.75
23	83	Am. Dist. Fr. 10c.	85	85	10.75	32	03	10.75
24	84	Am. Dist. Fr. 10c.	86	86	10.75	33	04	10.75
25	85	Am. Dist. Fr. 10c.	87	87	10.75	34	05	10.75
26	86	Am. Dist. Fr. 10c.	88	88	10.75	35	06	10.75
27	87	Am. Dist. Fr. 10c.	89	89	10.75	36	07	10.75
28	88	Am. Dist. Fr. 10c.	90	90	10.75	37	08	10.75
29	89	Am. Dist. Fr. 10c.	91	91	10.75	38	09	10.75
30	90	Am. Dist. Fr. 10c.	92	92	10.75	39	10	10.75
31	91	Am. Dist. Fr. 10c.	93	93	10.75	40	11	10.75
32	92	Am. Dist. Fr. 10c.	94	94	10.75	41	12	10.75
33	93	Am. Dist. Fr. 10c.	95	95	10.75	42	13	10.75
34	94	Am. Dist. Fr. 10c.	96	96	10.75	43	14	10.75
35	95	Am. Dist. Fr. 10c.	97	97	10.75	44	15	10.75
36	96	Am. Dist. Fr. 10c.	98	98	10.75	45	16	10.75
37	97	Am. Dist. Fr. 10c.	99	99	10.75	46	17	10.75
38	98	Am. Dist. Fr. 10c.	00	00	10.75	47	18	10.75
39	99	Am. Dist. Fr. 10c.	01	01	10.75	48	19	10.75
40	00	Am. Dist. Fr. 10c.	02	02	10.75	49	20	10.75
41	01	Am. Dist. Fr. 10c.	03	03	10.75	50	21	10.75
42	02	Am. Dist. Fr. 10c.	04	04	10.75	51	22	10.75
43	03	Am. Dist. Fr. 10c.	05	05	10.75	52	23	10.75
44	04	Am. Dist. Fr. 10c.	06	06	10.75	53	24	10.75
45	05	Am. Dist. Fr. 10c.	07	07	10.75	54	25	10.75
46	06	Am. Dist. Fr. 10c.	08	08	10.75	55	26	10.75
47	07	Am. Dist. Fr. 10c.	09	09	10.75	56	27	10.75
48	08	Am. Dist. Fr. 10c.	10	10	10.75	57	28	10.75
49	09	Am. Dist. Fr. 10c.	11	11	10.75	58	29	10.75
50	10	Am. Dist. Fr. 10c.	12	12	10.75	59	30	10.75
51	11	Am. Dist. Fr. 10c.	13	13	10.75	60	31	10.75
52	12	Am. Dist. Fr. 10c.	14	14	10.75	61	32	10.75
53	13	Am. Dist. Fr. 10c.	15	15	10.75	62	33	10.75
54	14	Am. Dist. Fr. 10c.	16	16	10.75	63	34	10.75
55	15	Am. Dist. Fr. 10c.	17	17	10.75	64	35	10.75
56	16	Am. Dist. Fr. 10c.	18	18	10.75	65	36	10.75
57	17	Am. Dist. Fr. 10c.	19	19	10.75	66	37	10.75
58	18	Am. Dist. Fr. 10c.	20	20	10.75	67	38	10.75
59	19	Am. Dist. Fr. 10c.	21	21	10.75	68	39	10.75
60	20	Am. Dist. Fr. 10c.	22	22	10.75	69	40	10.75
61	21	Am. Dist. Fr. 10c.	23	23	10.75	70	41	10.75
62	22	Am. Dist. Fr. 10c.	24	24	10.75	71	42	10.75

**BUILDING INDUSTRY,  
TIMBER AND ROADS**

102	67	Aberdeen Const.	82	15.14	3.0	9.1
102	112	Aberstwyth Cem.	138	7.54	2.6	7.1
102	30	Allied Plant 34	34	101.58	3.7	10.1
102	44	Armistice Sheds	102nd	1493.47	2.6	4.4
55	40	Arncfelle 104	44	12.55	4.1	8.1
102	116	BPF Inc. 50p	192	746.6	3.8	4.4
54	34	Bangoridge Srk.	49	3.75	2.7	10.1
102	32	Bailey End 19	19	4.2	4.4	10.1
102	37	Barnes 126	126	10.26	3.7	10.1
36	31	Beechwood 10p	242	12.07	3.9	12.1
91	64	Bethway 79	79	1.9	2.5	12.1
31	29	Bentor 20p	272		3.4	9.1
31	29	Bentford W. 10p	38	12.62	3.4	9.1

## CHEMICALS, PLASTICS—Cont.

[illegible]

**DRAPERY AND STORES.**

[illegible]

## ELECTRICALS

[illegible]

645	305	Sony Co. V50	310	1-5	050
77	243	Sound Diffn. Sp.	61	-2	11.0
266	175	Std. Tel. & Cables	266	+6	b8.0

70	27	30	30	1.0	3.5	4.8	8.6
237	13	13	13	1.0	3.5	4.8	8.6
238	23	23	23	1.0	3.5	4.8	8.6
239	23	23	23	1.0	3.5	4.8	8.6
240	23	23	23	1.0	3.5	4.8	8.6
241	23	23	23	1.0	3.5	4.8	8.6
242	23	23	23	1.0	3.5	4.8	8.6
243	23	23	23	1.0	3.5	4.8	8.6
244	23	23	23	1.0	3.5	4.8	8.6
245	23	23	23	1.0	3.5	4.8	8.6
246	23	23	23	1.0	3.5	4.8	8.6
247	23	23	23	1.0	3.5	4.8	8.6
248	23	23	23	1.0	3.5	4.8	8.6
249	23	23	23	1.0	3.5	4.8	8.6
250	23	23	23	1.0	3.5	4.8	8.6
251	23	23	23	1.0	3.5	4.8	8.6
252	23	23	23	1.0	3.5	4.8	8.6
253	23	23	23	1.0	3.5	4.8	8.6
254	23	23	23	1.0	3.5	4.8	8.6
255	23	23	23	1.0	3.5	4.8	8.6
256	23	23	23	1.0	3.5	4.8	8.6
257	23	23	23	1.0	3.5	4.8	8.6
258	23	23	23	1.0	3.5	4.8	8.6
259	23	23	23	1.0	3.5	4.8	8.6
260	23	23	23	1.0	3.5	4.8	8.6
261	23	23	23	1.0	3.5	4.8	8.6
262	23	23	23	1.0	3.5	4.8	8.6
263	23	23	23	1.0	3.5	4.8	8.6
264	23	23	23	1.0	3.5	4.8	8.6
265	23	23	23	1.0	3.5	4.8	8.6
266	23	23	23	1.0	3.5	4.8	8.6
267	23	23	23	1.0	3.5	4.8	8.6
268	23	23	23	1.0	3.5	4.8	8.6
269	23	23	23	1.0	3.5	4.8	8.6
270	23	23	23	1.0	3.5	4.8	8.6
271	23	23	23	1.0	3.5	4.8	8.6
272	23	23	23	1.0	3.5	4.8	8.6
273	23	23	23	1.0	3.5	4.8	8.6
274	23	23	23	1.0	3.5	4.8	8.6
275	23	23	23	1.0	3.5	4.8	8.6
276	23	23	23	1.0	3.5	4.8	8.6
277	23	23	23	1.0	3.5	4.8	8.6
278	23	23	23	1.0	3.5	4.8	8.6
279	23	23	23	1.0	3.5	4.8	8.6
280	23	23	23	1.0	3.5	4.8	8.6
281	23	23	23	1.0	3.5	4.8	8.6
282	23	23	23	1.0	3.5	4.8	8.6
283	23	23	23	1.0	3.5	4.8	8.6
284	23	23	23	1.0	3.5	4.8	8.6
285	23	23	23	1.0	3.5	4.8	8.6
286	23	23	23	1.0	3.5	4.8	8.6
287	23	23	23	1.0	3.5	4.8	8.6
288	23	23	23	1.0	3.5	4.8	8.6
289	23	23	23	1.0	3.5	4.8	8.6
290	23	23	23	1.0	3.5	4.8	8.6
291	23	23	23	1.0	3.5	4.8	8.6
292	23	23	23	1.0	3.5	4.8	8.6
293	23	23	23	1.0	3.5	4.8	8.6
294	23	23	23	1.0	3.5	4.8	8.6
295	23	23	23	1.0	3.5	4.8	8.6
296	23	23	23	1.0	3.5	4.8	8.6

### ENGINEERING—Continued

[illegible]

**FOOD, GROCERIES—Cont.**

1979-80	1978-79	Stock	Paid	Re	Cr
32	21	England (U.E.) 3p	32	7	10
30	20	Finland 10p	30	6	10
30	20	France 10p	30	6	10
30	20	Germany 10p	30	6	10
30	20	Italy 10p	30	6	10
30	20	Japan 10p	30	6	10
30	20	Spain 10p	30	6	10
30	20	Sweden 10p	30	6	10
30	20	Switzerland 10p	30	6	10
30	20	United Kingdom 10p	30	6	10
30	20	United States 10p	30	6	10
30	20	West Germany 10p	30	6	10
30	20	Yugoslavia 10p	30	6	10
30	20	Other countries 10p	30	6	10
30	20	Postage 10p	30	6	10
30	20	Insurance 10p	30	6	10
30	20	Legal fees 10p	30	6	10
30	20	Medical fees 10p	30	6	10
30	20	Travel 10p	30	6	10
30	20	Food 10p	30	6	10
30	20	Clothing 10p	30	6	10
30	20	Household goods 10p	30	6	10
30	20	Transport 10p	30	6	10
30	20	Utilities 10p	30	6	10
30	20	Education 10p	30	6	10
30	20	Health 10p	30	6	10
30	20	Recreation 10p	30	6	10
30	20	Other 10p	30	6	10
30	20	Total 10p	30	6	10

## HOTELS AND CATERERS

[illegible]

**INDUSTRIALS (Miscel.)**

59	128	70	22
58	127	69	21
57	126	68	20
56	125	67	19
55	124	66	18
54	123	65	17
53	122	64	16
52	121	63	15
51	120	62	14
50	119	61	13
49	118	60	12
48	117	59	11
47	116	58	10
46	115	57	9
45	114	56	8
44	113	55	7
43	112	54	6
42	111	53	5
41	110	52	4
40	109	51	3
39	108	50	2
38	107	49	1
37	106	48	0
36	105	47	0
35	104	46	0
34	103	45	0
33	102	44	0
32	101	43	0
31	100	42	0
30	99	41	0
29	98	40	0
28	97	39	0
27	96	38	0
26	95	37	0
25	94	36	0
24	93	35	0
23	92	34	0
22	91	33	0
21	90	32	0
20	89	31	0
19	88	30	0
18	87	29	0
17	86	28	0
16	85	27	0
15	84	26	0
14	83	25	0
13	82	24	0
12	81	23	0
11	80	22	0
10	79	21	0
9	78	20	0
8	77	19	0
7	76	18	0
6	75	17	0
5	74	16	0
4	73	15	0
3	72	14	0
2	71	13	0
1	70	12	0
0	69	11	0
0	68	10	0
0	67	9	0
0	66	8	0
0	65	7	0
0	64	6	0
0	63	5	0
0	62	4	0
0	61	3	0
0	60	2	0
0	59	1	0
0	58	0	0
0	57	0	0
0	56	0	0
0	55	0	0
0	54	0	0
0	53	0	0
0	52	0	0
0	51	0	0
0	50	0	0
0	49	0	0
0	48	0	0
0	47	0	0
0	46	0	0
0	45	0	0
0	44	0	0
0	43	0	0
0	42	0	0
0	41	0	0
0	40	0	0
0	39	0	0
0	38	0	0
0	37	0	0
0	36	0	0
0	35	0	0
0	34	0	0
0	33	0	0
0	32	0	0
0	31	0	0
0	30	0	0
0	29	0	0
0	28	0	0
0	27	0	0
0	26	0	0
0	25	0	0
0	24	0	0
0	23	0	0
0	22	0	0
0	21	0	0
0	20	0	0
0	19	0	0
0	18	0	0
0	17	0	0
0	16	0	0
0	15	0	0
0	14	0	0
0	13	0	0
0	12	0	0
0	11	0	0
0	10	0	0
0	9	0	0
0	8	0	0
0	7	0	0
0	6	0	0
0	5	0	0
0	4	0	0
0	3	0	0
0	2	0	0
0	1	0	0
0	0	0	0

**FOOD, GROCERIES, ETC.**

87	Alpha Soft 0.00	97	87	47.37	19.00
88	Asic, Escalot 200	98	88	44.24	18.50
89	Asic, Feds. Sp.	99	89	42.52	18.00
90	Asic, Feds. Sp.	100	90	41.53	17.50
91	Asic, Feds. Sp.	101	91	40.54	17.00
92	Asic, Feds. Sp.	102	92	39.55	16.50
93	Asic, Feds. Sp.	103	93	38.56	16.00
94	Asic, Feds. Sp.	104	94	37.57	15.50
95	Asic, Feds. Sp.	105	95	36.58	15.00
96	Asic, Feds. Sp.	106	96	35.59	14.50
97	Asic, Feds. Sp.	107	97	34.60	14.00
98	Asic, Feds. Sp.	108	98	33.61	13.50
99	Asic, Feds. Sp.	109	99	32.62	13.00
100	Asic, Feds. Sp.	110	100	31.63	12.50
101	Asic, Feds. Sp.	111	101	30.64	12.00
102	Asic, Feds. Sp.	112	102	29.65	11.50
103	Asic, Feds. Sp.	113	103	28.66	11.00
104	Asic, Feds. Sp.	114	104	27.67	10.50
105	Asic, Feds. Sp.	115	105	26.68	10.00
106	Asic, Feds. Sp.	116	106	25.69	9.50
107	Asic, Feds. Sp.	117	107	24.70	9.00
108	Asic, Feds. Sp.	118	108	23.71	8.50
109	Asic, Feds. Sp.	119	109	22.72	8.00
110	Asic, Feds. Sp.	120	110	21.73	7.50
111	Asic, Feds. Sp.	121	111	20.74	7.00
112	Asic, Feds. Sp.	122	112	19.75	6.50
113	Asic, Feds. Sp.	123	113	18.76	6.00
114	Asic, Feds. Sp.	124	114	17.77	5.50
115	Asic, Feds. Sp.	125	115	16.78	5.00
116	Asic, Feds. Sp.	126	116	15.79	4.50
117	Asic, Feds. Sp.	127	117	14.80	4.00
118	Asic, Feds. Sp.	128	118	13.81	3.50
119	Asic, Feds. Sp.	129	119	12.82	3.00
120	Asic, Feds. Sp.	130	120	11.83	2.50
121	Asic, Feds. Sp.	131	121	10.84	2.00
122	Asic, Feds. Sp.	132	122	9.85	1.50
123	Asic, Feds. Sp.	133	123	8.86	1.00
124	Asic, Feds. Sp.	134	124	7.87	0.50
125	Asic, Feds. Sp.	135	125	6.88	0.00
126	Asic, Feds. Sp.	136	126	5.89	0.00
127	Asic, Feds. Sp.	137	127	4.90	0.00
128	Asic, Feds. Sp.	138	128	3.91	0.00
129	Asic, Feds. Sp.	139	129	2.92	0.00
130	Asic, Feds. Sp.	140	130	1.93	0.00
131	Asic, Feds. Sp.	141	131	0.94	0.00
132	Asic, Feds. Sp.	142	132	0.00	0.00
133	Asic, Feds. Sp.	143	133	0.00	0.00
134	Asic, Feds. Sp.	144	134	0.00	0.00
135	Asic, Feds. Sp.	145	135	0.00	0.00
136	Asic, Feds. Sp.	146	136	0.00	0.00
137	Asic, Feds. Sp.	147	137	0.00	0.00
138	Asic, Feds. Sp.	148	138	0.00	0.00
139	Asic, Feds. Sp.	149	139	0.00	0.00
140	Asic, Feds. Sp.	150	140	0.00	0.00



## FINANCE LAND—Continued

[illegible]

Barclays	32	12	15		
Bank of Scotland	12	12	15	7	9
Bank of Ireland	12	12	15	7	9
Bank of Montreal	12	12	15	7	9
Bank of Nova Scotia	12	12	15	7	9
Bank of Toronto	12	12	15	7	9
Bank of Victoria	12	12	15	7	9
Bank of Western Australia	12	12	15	7	9
Bank of Western Canada	12	12	15	7	9
Bank of Western India	12	12	15	7	9
Bank of Western New Zealand	12	12	15	7	9
Bank of Western Queensland	12	12	15	7	9
Bank of Western South Australia	12	12	15	7	9
Bank of Western Tasmania	12	12	15	7	9
Bank of Western Victoria	12	12	15	7	9
Bank of Western Wales	12	12	15	7	9
Bank of Western Yorkshire	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15	7	9
Bank of Western Zimbabwe	12	12	15	7	9
Bank of Western Zambia	12	12	15	7	9
Bank of Western Zanzibar	12	12	15	7	9
Bank of Western Zaire	12	12	15		

Steel	21	P.H.M.	26	Premier	28
S.N.F.	21	Pharm.	26	Shell	28
Gen. Accident	21	Phar. Org.	26	Sell	28
Gen. Electric	20	Reet Intl.	17	Uncontrol.	27
Genl.	20	Rears	24	Unstar	45
Gen. and M.	12	Tesco	25		
U.S. A.	20	Thames	7	Minors	
Guardian	20	Thorn Marles	27	Charter Cons.	18
Har. Natl.	22	Tub. Invest.	27	Cons. Gold	32
Harmer Steel	16	Unilever	40	Loano	32
House of Fraser	12	U.D.T.	4	Rio T. Zinc	25

A selection of Options traded is given on the London Stock Exchange Report page



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# FINANCIAL TIMES

Wednesday February 13 1980

**AP**  
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## SOAMES TAKES POWERS TO DISENFRANCHISE

# Violence could cost Africans vote

BY BRIDGET BLOOM AND TONY HAWKINS IN SALISBURY

SEVERAL hundred thousand African voters in Rhodesia could be disenfranchised in areas where intimidation is held to be a risk under powers being taken by Lord Soames, the Governor, in an ordinance to be published today.

The parties contesting the poll were told yesterday that if there is no marked reduction in violence and intimidation over the next 10 days, the Governor could use his "abrogation of the election" powers in at least 22 named rural areas.

The ordinance means there would be no public meetings and no polling booths in the designated areas. The parties

would be prohibited from busying voters to polling stations in other districts.

However, a British official admitted voters would not be stopped from walking from one electoral district to another to cast their ballots.

The ordinance is an extension of the powers the Governor took under a separate ordinance last week. Those enabled him to ban parties or candidates from contesting the poll in named districts.

But on Monday Mr. Robert Mugabe, leader of ZANU-PF, said if his party was banned in any district it would withdraw from the election. So far, Lord Soames has used last week's ordinance on only one occasion

—to ban a senior Mugabe party official from actively campaigning for votes.

Last night, the Governor was discussing the ordinance with Mr. Mugabe, whose party has consistently been blamed by the British for cease-fire violations and which is the prime target for this latest legislation.

The British official said the Governor would be looking "very carefully" at what happens over the next 10 to 14 days to see if intimidation had been curbed.

The object of these latest powers was to "roll back the frontiers of intimidation," the official said. However, despite the British assurance that the Governor is "quite determined"

to use his new powers if necessary, observers here see the ordinance as yet another warning to Mr. Mugabe to pull his followers into line.

The Governor clearly faces an acute dilemma. If he were either to impose a partial electoral ban on ZANU-PF or to disenfranchise significant numbers of voters, he would almost certainly provoke an outburst of strong international criticism.

On the other hand, Lord Soames is under severe pressure from the Rhodesians and from the other Black parties to take effective steps to curb intimidation. Accordingly, he is not ruling out the possible use of existing powers within the coming week, the British official said.

# Row over EEC block on state aid

BY GILES MERRITT IN BRUSSELS

FOURTEEN multinational companies including ICI, Philips, Polaroid, Shell, Rockwell, DSM and Tetrapak of Sweden are at the centre of a politically-charged row between the European Commission and EEC member governments over investment grants.

As part of a clampdown on investment grants to industry, the commission has indicated that it will no longer waive the Treaty of Rome conditions governing such aid. It aims to prevent member states bidding against one another for foreign

investment.

In all, 14 major U.S. and European companies are waiting to be told that the commission is blocking state aid to them for projects in Belgium or the Netherlands.

The Brussels authorities have in recent months vetted 50 cases. Of those 29 have been granted permission to receive national aid because the projects contributed to employment and industrial development in the EEC.

that of Philip Morris, which is contesting the commission's refusal to permit Dutch government aid for its new plant in the Netherlands.

The Philip Morris appeal to the European Court of Justice in Luxembourg was due to have been ruled on by June, but judgment is now likely to be delayed until September.

Other projects include administration buildings at Eindhoven for Philips, extension to Polaroid's SX70 film plant at Enschede in the eastern Netherlands, an ICI polypropylene unit at Rotterdam, and a polyethylene plant for DSM.

Belgium and the Netherlands have been singled out by the commission because of the general aids offered to new investment there.

# BP fixes Forties oil price at \$33.75

By Ray Dafter, Energy Editor

BRITISH PETROLEUM has set the pattern of North Sea oil prices by fixing a rate of \$33.75 for its Forties Field reference crude. This price, a \$4 a barrel increase, is backdated to last Friday.

At present the higher price relates only to the oil traded in BP, among the organisation's affiliated companies. But the new reference level is expected to be adopted by the industry as a whole — putting North Sea crude on a par with the value of competitive oil exported from Nigeria.

# Court move to lift lamb ban planned

BY MARGARET VAN HATTEM IN STRASSBOURG

THE EEC Commission intends to seek a European Court of Justice interim injunction lifting the French ban on imports of British lamb within the next few days.

This follows failure of Chancellor Helmut Schmidt of West Germany to persuade President Giscard d'Estaing at the Franco-German summit in Paris last week to comply with the court's ruling last September that the curbs violate EEC rules on free trade.

Mr. Finn Olav Gundelach, the EEC Farm Commissioner, said yesterday that the Commission would seek an interim injunction "within a few days."

He said he was under constant pressure from the British Government to seek an injunction. If the French Government did not give way before or during next week's meeting of EEC Farm Ministers in Brussels he would have no option.

He may come under pressure to delay this action from the Commission's legal service, which is suggesting that the damage to British producers resulting from French curbs may not be sufficient to uphold the case for interim measures.

But Mr. Gundelach is in an increasingly difficult position and it is hard to see how he can avoid taking action. He has come under severe criticism for his apparent reluctance in the past six months to get tough with the French, amid mounting accusations that his wish to avoid a confrontation with Paris stems from his political ambitions.

He has expressed sympathy for the French case, recognising that in the absence of a Common Market organisation for lamb French producers will suffer when the cheaper British product has free access to their domestic markets.

Throughout the Farm Council's negotiations in the past few months to include lamb in the Common Agricultural Policy Britain has led opposi-

tion to French demands for a high level of EEC-financed protection for French sheep farmers.

Although the Commission has formally maintained that there can be no trade-off between the lifting of the curbs and the council negotiations, it has been deliberately slow in taking the French back to court, in the apparent hope that a deal could be done informally.

It no longer appears to entertain such hopes. Giscard's refusal to bend to Herr Schmidt's arguments has reinforced the view here that the French still hope to win concessions from the British on the lamb issue in the next round of negotiations on Britain's contributions to the EEC Budget.

# Call for freer trade access

AUSTRALIA'S Queensland State Premier, Mr. Joh Bjelke-Petersen, who arrived in the UK yesterday for a four-day visit, said he would like to see freer trade access to Britain.

# Weather

**UK TODAY**  
 Mostly dry. Some sun. Rain later.  
 S.E. rest of England, Channel Is. Mostly dry. Bright periods. Mild. Max. 11C (53F).  
 N.E. England, Borders. E. Scotland. Rain.  
 Sunny periods. Mostly dry. Max. 10C (50F).  
 W. Scotland, N. Ireland. Dry at first. Rain from W. later. Max. 10C (50F).  
**OUTLOOK:** Some rain. Dry spells. Mild.

WORLDWIDE			
	Y day	Y day	
	midday	midday	
Ajaccio	14 57	Lucania	10 30
Algiers	S 15 29	Luxembourg	S 10 50
Amman	S 19 57	Madrid	S 11 52
Athens	S 15 58	Malaga	S 15 39
Bahrain	S 17 53	Marseille	S 14 57
Batavia	S 12 54	Mejdel	S 11 52
Bombay	S 17 53	Melbourne	S 15 39
Buenos Aires	S 12 54	Mexico	S 14 57
Calcutta	S 17 53	Montreal	S 15 39
Canton	S 12 54	Moscow	S 11 52
Cebu	S 17 53	Munich	S 14 57
Colon	S 12 54	Nairobi	S 15 39
Dacca	S 17 53	Naples	S 11 52
Dahomey	S 12 54	Norwich	S 14 57
Dar es Salaam	S 17 53	Osaka	S 15 39
Delhi	S 12 54	Perth	S 11 52
Dhaka	S 17 53	Rangoon	S 14 57
Dublin	S 12 54	Reykjavik	S 15 39
Durham	S 17 53	Rome	S 11 52
Edinburgh	S 12 54	Sao Paulo	S 14 57
Geneva	S 17 53	Seoul	S 15 39
Glasgow	S 12 54	Shanghai	S 11 52
Harare	S 17 53	Singapore	S 14 57
Hong Kong	S 12 54	Stockholm	S 15 39
Imbros	S 17 53	Strasbourg	S 11 52
Isle of Man	S 12 54	Sydney	S 14 57
Jersey	S 17 53	Taipei	S 15 39
Johannesburg	S 12 54	Tokyo	S 11 52
Kuala Lumpur	S 17 53	Toronto	S 14 57
Lagos	S 12 54	Valencia	S 15 39
London	S 17 53	Vancouver	S 11 52
Lyons	S 12 54	Vienna	S 14 57
Manila	S 17 53	Zurich	S 15 39
Mexico City	S 12 54		
Mombasa	S 17 53		
Moscow	S 12 54		
Mumbai	S 17 53		
Nairobi	S 12 54		
Norwich	S 17 53		
Osaka	S 12 54		
Perth	S 17 53		
Rangoon	S 12 54		
Reykjavik	S 17 53		
Rome	S 12 54		
Sao Paulo	S 17 53		
Seoul	S 12 54		
Shanghai	S 17 53		
Singapore	S 12 54		
Stockholm	S 17 53		
Strasbourg	S 12 54		
Sydney	S 17 53		
Taipei	S 12 54		
Tokyo	S 17 53		
Toronto	S 12 54		
Valencia	S 17 53		
Vancouver	S 12 54		
Vienna	S 17 53		
Zurich	S 12 54		

C - Cloudy F - Fog P - Fog R - Rain  
S - Sunny SI - Squat SN - Snow.

# Survival plan for third world

FINANCIAL TIMES REPORTER

DEVELOPING NATIONS, faced with the prospect of sliding ever deeper into debt, could benefit from special levies on international trade, military spending and sea-bed mineral mining.

Such levies, as part of a doubling of official development aid now running at \$20bn a year, could help avoid a serious political and economic breakdown in the world, according to a report published yesterday by the Brandt Commission, an independent group of politicians and experts from the industrialised northern and developing southern countries.

Work started on the report, entitled "North-South: A programme for survival" two years

ago. It was handed to Dr. Kurt Waldheim, the UN secretary-general, on Monday.

The commission analysed the world's economic and social problems as they affect the Third World. The report concludes with a set of proposals for the reform and restructuring of the world economic system. The commission believes the proposals are in the mutual interest of the North and the South.

Mr. Edward Heath, former British Prime Minister, launched the report in London yesterday. A member of the commission, he said that neither the North nor the South could survive even at their present levels "unless we carry through

this programme."

The report calls for a concordat between the oil-exporting countries and the Western world to use resources to help the developing world.

The report proposes that one element in a system of "international taxation" could be official aid contributions calculated on a sliding scale and related to national income.

It also proposes institutional reform such as greater regionalisation of assistance, through de-centralisation of the World Bank's operations.

# Railways' private capital plans worry Ministers

BY ELINOR GOODMAN, LOBBY STAFF

CLEAR differences of opinion are emerging between the Government and British Rail over the role for private capital in BR's non-railway activities.

The Government seems to have been taken aback by British Rail's statement last week that it is looking at the opportunities to involve private capital in its subsidiary businesses "as a way of overcoming the present cash shortage and helping the businesses to develop and expand."

Ministers appear to have interpreted this as a sign that BR wants to use private capital to extend its peripheral activities and increase its powers.

This would be almost the reverse of the Government's reasons for wanting to involve private money.

The Government's view, though still not fully formed, seems to be that opening BR's peripheral activities to private investment would be a way of reducing the scope of the public sector.

ment to get on with its real job of running the railways.

One idea being toyed with is to set up a separate holding to take over all subsidiary operations, such as hotels and ferries. This could be used to attract private investment.

Details of the scheme are vague. It is not clear what shareholding BR would retain in the new company.

What is clear is that Ministers consider a separate holding company a means of reducing BR involvement in fields outside railways.

What BR and the Government seem to agree on is that the subsidiaries should not be sold off in bits. BR "is not in the living-off game," it said last week.

# Steel

the concept of enterprise zones to be tested in a widely-based experiment. But they have first to decide whether to go ahead, and then to fix which sites and concessions to include.

Companies would probably be freed for an indefinite period from the need to acquire a Government industrial development certificate, to pay industrial training board levies and to contribute to most Government statistical surveys.

For seven to 10 years, they would also be either partially or wholly freed from payment of local authority rates and exempted from development land tax. They would also receive a capital allowance of at least 75 per cent on industrial and commercial buildings.

Ministers have also considered introducing a lower rate of corporation tax but it is understood that this idea has been dropped, as has a proposal that health and safety controls and planning permission should be waived. Planning procedures will however be speeded up.